

1 AN ACT concerning taxation.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 3. The Department of Natural Resources
5 (Conservation) Law of the Civil Administrative Code of
6 Illinois is amended by adding Section 805-45 as follows:

7 (20 ILCS 805/805-45 new)

8 Sec. 805-45. Weatherization and heat conservation loans
9 and grants. Subject to appropriation, the Department shall
10 administer a program in which the Department provides loans
11 and grants in the amount of 90% of the costs of
12 weatherization and heat conservation projects. The other 10%
13 of the funding must come from local funding. Weatherization
14 and heat conservation projects eligible for the program
15 consist of the installation of fuel efficient furnaces, water
16 heaters, insulation, energy efficient windows, storm doors,
17 caulking, and renewable or alternative sources of energy.
18 Entities eligible for the loans and grants are
19 municipalities, public and parochial schools, hospitals,
20 churches, and other nonprofit organizations.

21 Section 5. The State Revenue Sharing Act is amended by
22 changing Section 1 as follows:

23 (30 ILCS 115/1) (from Ch. 85, par. 611)

24 Sec. 1. Local Government Distributive Fund. Through June
25 30, 1994, as soon as may be after the first day of each month
26 the Department of Revenue shall certify to the Treasurer an
27 amount equal to 1/12 of the net revenue realized from the tax
28 imposed by subsections (a) and (b) of Section 201 of the
29 Illinois Income Tax Act during the preceding month.

1 Beginning July 1, 1994, and continuing through June 30, 1995,
2 as soon as may be after the first day of each month, the
3 Department of Revenue shall certify to the Treasurer an
4 amount equal to 1/11 of the net revenue realized from the tax
5 imposed by subsections (a) and (b) of Section 201 of the
6 Illinois Income Tax Act during the preceding month. Beginning
7 July 1, 1995, and continuing through June 30, 2001, as soon
8 as may be after the first day of each month, the Department
9 of Revenue shall certify to the Treasurer an amount equal to
10 1/10 of the net revenue realized from the tax imposed by
11 subsections (a) and (b) of Section 201 of the Illinois Income
12 Tax Act during the preceding month. Beginning July 1, 2001,
13 as soon as may be after the first day of each month, the
14 Department of Revenue shall certify to the Treasurer an
15 amount equal to 1/9 of the net revenue realized from the tax
16 imposed by subsections (a) and (b) of Section 201 of the
17 Illinois Income Tax Act during the preceding month. Net
18 revenue realized for a month shall be defined as the revenue
19 from the tax imposed by subsections (a) and (b) of Section
20 201 of the Illinois Income Tax Act which is deposited in the
21 General Revenue Fund, the Education Assistance Fund and the
22 Income Tax Surcharge Local Government Distributive Fund
23 during the month minus the amount paid out of the General
24 Revenue Fund in State warrants during that same month as
25 refunds to taxpayers for overpayment of liability under the
26 tax imposed by subsections (a) and (b) of Section 201 of the
27 Illinois Income Tax Act. Upon receipt of such certification,
28 the Treasurer shall transfer from the General Revenue Fund to
29 a special fund in the State treasury, to be known as the
30 "Local Government Distributive Fund", the amount shown on
31 such certification.

32 All amounts paid into the Local Government Distributive
33 Fund in accordance with this Section and allocated pursuant
34 to this Act are appropriated on a continuing basis.

1 (Source: P.A. 88-89.)

2 Section 7. The Illinois Procurement Code is amended by
3 adding Section 45-70 as follows:

4 (30 ILCS 500/45-70 new)

5 Sec. 45-70. Energy-efficient design. All new State
6 facilities shall include, if practical, the most modern
7 energy-efficient design, including active and passive solar
8 heating, as those terms are defined by the Department of
9 Natural Resources.

10 Section 10. The Illinois Income Tax Act is amended by
11 changing Section 901 and adding Section 213 as follows:

12 (35 ILCS 5/213 new)

13 Sec. 213. Weatherization and heat conservation tax
14 credit. Beginning with taxable years ending on or after
15 December 31, 2001 and ending with taxable years ending on or
16 before December 30, 2006, each taxpayer is entitled to a
17 credit against the tax imposed by subsections (a) and (b) of
18 Section 201 in the amount of 10% of the amount spent by the
19 taxpayer in a taxable year for weatherization and heat
20 conservation measures, including the installation of
21 fuel-efficient furnaces, water heaters, insulation,
22 energy-efficient windows, storm doors, caulking, and
23 renewable or alternative sources of energy. The tax credit
24 may not reduce the taxpayer's liability to less than zero and
25 may not be carried forward to a subsequent taxable year.

26 (35 ILCS 5/901) (from Ch. 120, par. 9-901)

27 Sec. 901. Collection Authority.

28 (a) In general.

29 The Department shall collect the taxes imposed by this

1 Act. The Department shall collect certified past due child
2 support amounts under Section 2505-650 of the Department of
3 Revenue Law (20 ILCS 2505/2505-650). Except as provided in
4 subsections (c) and (e) of this Section, money collected
5 pursuant to subsections (a) and (b) of Section 201 of this
6 Act shall be paid into the General Revenue Fund in the State
7 treasury; money collected pursuant to subsections (c) and (d)
8 of Section 201 of this Act shall be paid into the Personal
9 Property Tax Replacement Fund, a special fund in the State
10 Treasury; and money collected under Section 2505-650 of the
11 Department of Revenue Law (20 ILCS 2505/2505-650) shall be
12 paid into the Child Support Enforcement Trust Fund, a special
13 fund outside the State Treasury, or to the State Disbursement
14 Unit established under Section 10-26 of the Illinois Public
15 Aid Code, as directed by the Department of Public Aid.

16 (b) Local Governmental Distributive Fund.

17 Beginning August 1, 1969, and continuing through June 30,
18 1994, the Treasurer shall transfer each month from the
19 General Revenue Fund to a special fund in the State treasury,
20 to be known as the "Local Government Distributive Fund", an
21 amount equal to 1/12 of the net revenue realized from the tax
22 imposed by subsections (a) and (b) of Section 201 of this Act
23 during the preceding month. Beginning July 1, 1994, and
24 continuing through June 30, 1995, the Treasurer shall
25 transfer each month from the General Revenue Fund to the
26 Local Government Distributive Fund an amount equal to 1/11 of
27 the net revenue realized from the tax imposed by subsections
28 (a) and (b) of Section 201 of this Act during the preceding
29 month. Beginning July 1, 1995, and continuing through June
30 30, 2001, the Treasurer shall transfer each month from the
31 General Revenue Fund to the Local Government Distributive
32 Fund an amount equal to 1/10 of the net revenue realized from
33 the tax imposed by subsections (a) and (b) of Section 201 of
34 the Illinois Income Tax Act during the preceding month.

1 Beginning July 1, 2001, the Treasurer shall transfer each
2 month from the General Revenue Fund to the Local Government
3 Distributive Fund an amount equal to 1/9 of the net revenue
4 realized from the tax imposed by subsections (a) and (b) of
5 Section 201 of this Act during the preceding month. Net
6 revenue realized for a month shall be defined as the revenue
7 from the tax imposed by subsections (a) and (b) of Section
8 201 of this Act which is deposited in the General Revenue
9 Fund, the Educational Assistance Fund and the Income Tax
10 Surcharge Local Government Distributive Fund during the month
11 minus the amount paid out of the General Revenue Fund in
12 State warrants during that same month as refunds to taxpayers
13 for overpayment of liability under the tax imposed by
14 subsections (a) and (b) of Section 201 of this Act.

15 (c) Deposits Into Income Tax Refund Fund.

16 (1) Beginning on January 1, 1989 and thereafter,
17 the Department shall deposit a percentage of the amounts
18 collected pursuant to subsections (a) and (b)(1), (2),
19 and (3), of Section 201 of this Act into a fund in the
20 State treasury known as the Income Tax Refund Fund. The
21 Department shall deposit 6% of such amounts during the
22 period beginning January 1, 1989 and ending on June 30,
23 1989. Beginning with State fiscal year 1990 and for each
24 fiscal year thereafter, the percentage deposited into the
25 Income Tax Refund Fund during a fiscal year shall be the
26 Annual Percentage. For fiscal years 1999 through 2001,
27 the Annual Percentage shall be 7.1%. For all other
28 fiscal years, the Annual Percentage shall be calculated
29 as a fraction, the numerator of which shall be the amount
30 of refunds approved for payment by the Department during
31 the preceding fiscal year as a result of overpayment of
32 tax liability under subsections (a) and (b)(1), (2), and
33 (3) of Section 201 of this Act plus the amount of such
34 refunds remaining approved but unpaid at the end of the

1 preceding fiscal year, the denominator of which shall be
2 the amounts which will be collected pursuant to
3 subsections (a) and (b)(1), (2), and (3) of Section 201
4 of this Act during the preceding fiscal year. The
5 Director of Revenue shall certify the Annual Percentage
6 to the Comptroller on the last business day of the fiscal
7 year immediately preceding the fiscal year for which it
8 is to be effective.

9 (2) Beginning on January 1, 1989 and thereafter,
10 the Department shall deposit a percentage of the amounts
11 collected pursuant to subsections (a) and (b)(6), (7),
12 and (8), (c) and (d) of Section 201 of this Act into a
13 fund in the State treasury known as the Income Tax Refund
14 Fund. The Department shall deposit 18% of such amounts
15 during the period beginning January 1, 1989 and ending on
16 June 30, 1989. Beginning with State fiscal year 1990 and
17 for each fiscal year thereafter, the percentage deposited
18 into the Income Tax Refund Fund during a fiscal year
19 shall be the Annual Percentage. For fiscal years 1999,
20 2000, and 2001, the Annual Percentage shall be 19%. For
21 all other fiscal years, the Annual Percentage shall be
22 calculated as a fraction, the numerator of which shall be
23 the amount of refunds approved for payment by the
24 Department during the preceding fiscal year as a result
25 of overpayment of tax liability under subsections (a) and
26 (b)(6), (7), and (8), (c) and (d) of Section 201 of this
27 Act plus the amount of such refunds remaining approved
28 but unpaid at the end of the preceding fiscal year, the
29 denominator of which shall be the amounts which will be
30 collected pursuant to subsections (a) and (b)(6), (7),
31 and (8), (c) and (d) of Section 201 of this Act during
32 the preceding fiscal year. The Director of Revenue shall
33 certify the Annual Percentage to the Comptroller on the
34 last business day of the fiscal year immediately

1 preceding the fiscal year for which it is to be
2 effective.

3 (3) The Comptroller shall order transferred and the
4 Treasurer shall transfer from the Tobacco Settlement
5 Recovery Fund to the Income Tax Refund Fund (i)
6 \$35,000,000 in January, 2001, (ii) \$35,000,000 in
7 January, 2002, and (iii) \$35,000,000 in January, 2003.

8 (d) Expenditures from Income Tax Refund Fund.

9 (1) Beginning January 1, 1989, money in the Income
10 Tax Refund Fund shall be expended exclusively for the
11 purpose of paying refunds resulting from overpayment of
12 tax liability under Section 201 of this Act, for paying
13 rebates under Section 208.1 in the event that the amounts
14 in the Homeowners' Tax Relief Fund are insufficient for
15 that purpose, and for making transfers pursuant to this
16 subsection (d).

17 (2) The Director shall order payment of refunds
18 resulting from overpayment of tax liability under Section
19 201 of this Act from the Income Tax Refund Fund only to
20 the extent that amounts collected pursuant to Section 201
21 of this Act and transfers pursuant to this subsection (d)
22 and item (3) of subsection (c) have been deposited and
23 retained in the Fund.

24 (3) As soon as possible after the end of each
25 fiscal year, the Director shall order transferred and the
26 State Treasurer and State Comptroller shall transfer from
27 the Income Tax Refund Fund to the Personal Property Tax
28 Replacement Fund an amount, certified by the Director to
29 the Comptroller, equal to the excess of the amount
30 collected pursuant to subsections (c) and (d) of Section
31 201 of this Act deposited into the Income Tax Refund Fund
32 during the fiscal year over the amount of refunds
33 resulting from overpayment of tax liability under
34 subsections (c) and (d) of Section 201 of this Act paid

1 from the Income Tax Refund Fund during the fiscal year.

2 (4) As soon as possible after the end of each
3 fiscal year, the Director shall order transferred and the
4 State Treasurer and State Comptroller shall transfer from
5 the Personal Property Tax Replacement Fund to the Income
6 Tax Refund Fund an amount, certified by the Director to
7 the Comptroller, equal to the excess of the amount of
8 refunds resulting from overpayment of tax liability under
9 subsections (c) and (d) of Section 201 of this Act paid
10 from the Income Tax Refund Fund during the fiscal year
11 over the amount collected pursuant to subsections (c) and
12 (d) of Section 201 of this Act deposited into the Income
13 Tax Refund Fund during the fiscal year.

14 (4.5) As soon as possible after the end of fiscal
15 year 1999 and of each fiscal year thereafter, the
16 Director shall order transferred and the State Treasurer
17 and State Comptroller shall transfer from the Income Tax
18 Refund Fund to the General Revenue Fund any surplus
19 remaining in the Income Tax Refund Fund as of the end of
20 such fiscal year; excluding for fiscal years 2000, 2001,
21 and 2002 amounts attributable to transfers under item (3)
22 of subsection (c) less refunds resulting from the earned
23 income tax credit.

24 (5) This Act shall constitute an irrevocable and
25 continuing appropriation from the Income Tax Refund Fund
26 for the purpose of paying refunds upon the order of the
27 Director in accordance with the provisions of this
28 Section.

29 (e) Deposits into the Education Assistance Fund and the
30 Income Tax Surcharge Local Government Distributive Fund.

31 On July 1, 1991, and thereafter, of the amounts collected
32 pursuant to subsections (a) and (b) of Section 201 of this
33 Act, minus deposits into the Income Tax Refund Fund, the
34 Department shall deposit 7.3% into the Education Assistance

1 Fund in the State Treasury. Beginning July 1, 1991, and
 2 continuing through January 31, 1993, of the amounts collected
 3 pursuant to subsections (a) and (b) of Section 201 of the
 4 Illinois Income Tax Act, minus deposits into the Income Tax
 5 Refund Fund, the Department shall deposit 3.0% into the
 6 Income Tax Surcharge Local Government Distributive Fund in
 7 the State Treasury. Beginning February 1, 1993 and
 8 continuing through June 30, 1993, of the amounts collected
 9 pursuant to subsections (a) and (b) of Section 201 of the
 10 Illinois Income Tax Act, minus deposits into the Income Tax
 11 Refund Fund, the Department shall deposit 4.4% into the
 12 Income Tax Surcharge Local Government Distributive Fund in
 13 the State Treasury. Beginning July 1, 1993, and continuing
 14 through June 30, 1994, of the amounts collected under
 15 subsections (a) and (b) of Section 201 of this Act, minus
 16 deposits into the Income Tax Refund Fund, the Department
 17 shall deposit 1.475% into the Income Tax Surcharge Local
 18 Government Distributive Fund in the State Treasury.

19 (Source: P.A. 90-613, eff. 7-9-98; 90-655, eff. 7-30-98;
 20 91-212, eff. 7-20-99; 91-239, eff. 1-1-00; 91-700, eff.
 21 5-11-00; 91-704, eff. 7-1-00; 91-712, eff. 7-1-00; revised
 22 6-28-00.)

23 Section 15. The Use Tax Act is amended by changing
 24 Section 3-5 as follows:

25 (35 ILCS 105/3-5) (from Ch. 120, par. 439.3-5)

26 Sec. 3-5. Exemptions. Use of the following tangible
 27 personal property is exempt from the tax imposed by this Act:

- 28 (1) Personal property purchased from a corporation,
 29 society, association, foundation, institution, or
 30 organization, other than a limited liability company, that is
 31 organized and operated as a not-for-profit service enterprise
 32 for the benefit of persons 65 years of age or older if the

1 personal property was not purchased by the enterprise for the
2 purpose of resale by the enterprise.

3 (2) Personal property purchased by a not-for-profit
4 Illinois county fair association for use in conducting,
5 operating, or promoting the county fair.

6 (3) Personal property purchased by a not-for-profit arts
7 or cultural organization that establishes, by proof required
8 by the Department by rule, that it has received an exemption
9 under Section 501(c)(3) of the Internal Revenue Code and that
10 is organized and operated for the presentation or support of
11 arts or cultural programming, activities, or services. These
12 organizations include, but are not limited to, music and
13 dramatic arts organizations such as symphony orchestras and
14 theatrical groups, arts and cultural service organizations,
15 local arts councils, visual arts organizations, and media
16 arts organizations.

17 (4) Personal property purchased by a governmental body,
18 by a corporation, society, association, foundation, or
19 institution organized and operated exclusively for
20 charitable, religious, or educational purposes, or by a
21 not-for-profit corporation, society, association, foundation,
22 institution, or organization that has no compensated officers
23 or employees and that is organized and operated primarily for
24 the recreation of persons 55 years of age or older. A limited
25 liability company may qualify for the exemption under this
26 paragraph only if the limited liability company is organized
27 and operated exclusively for educational purposes. On and
28 after July 1, 1987, however, no entity otherwise eligible for
29 this exemption shall make tax-free purchases unless it has an
30 active exemption identification number issued by the
31 Department.

32 (5) A passenger car that is a replacement vehicle to the
33 extent that the purchase price of the car is subject to the
34 Replacement Vehicle Tax.

1 (6) Graphic arts machinery and equipment, including
2 repair and replacement parts, both new and used, and
3 including that manufactured on special order, certified by
4 the purchaser to be used primarily for graphic arts
5 production, and including machinery and equipment purchased
6 for lease.

7 (7) Farm chemicals.

8 (8) Legal tender, currency, medallions, or gold or
9 silver coinage issued by the State of Illinois, the
10 government of the United States of America, or the government
11 of any foreign country, and bullion.

12 (9) Personal property purchased from a teacher-sponsored
13 student organization affiliated with an elementary or
14 secondary school located in Illinois.

15 (10) A motor vehicle of the first division, a motor
16 vehicle of the second division that is a self-contained motor
17 vehicle designed or permanently converted to provide living
18 quarters for recreational, camping, or travel use, with
19 direct walk through to the living quarters from the driver's
20 seat, or a motor vehicle of the second division that is of
21 the van configuration designed for the transportation of not
22 less than 7 nor more than 16 passengers, as defined in
23 Section 1-146 of the Illinois Vehicle Code, that is used for
24 automobile renting, as defined in the Automobile Renting
25 Occupation and Use Tax Act.

26 (11) Farm machinery and equipment, both new and used,
27 including that manufactured on special order, certified by
28 the purchaser to be used primarily for production agriculture
29 or State or federal agricultural programs, including
30 individual replacement parts for the machinery and equipment,
31 including machinery and equipment purchased for lease, and
32 including implements of husbandry defined in Section 1-130 of
33 the Illinois Vehicle Code, farm machinery and agricultural
34 chemical and fertilizer spreaders, and nurse wagons required

1 to be registered under Section 3-809 of the Illinois Vehicle
2 Code, but excluding other motor vehicles required to be
3 registered under the Illinois Vehicle Code. Horticultural
4 polyhouses or hoop houses used for propagating, growing, or
5 overwintering plants shall be considered farm machinery and
6 equipment under this item (11). Agricultural chemical tender
7 tanks and dry boxes shall include units sold separately from
8 a motor vehicle required to be licensed and units sold
9 mounted on a motor vehicle required to be licensed if the
10 selling price of the tender is separately stated.

11 Farm machinery and equipment shall include precision
12 farming equipment that is installed or purchased to be
13 installed on farm machinery and equipment including, but not
14 limited to, tractors, harvesters, sprayers, planters,
15 seeders, or spreaders. Precision farming equipment includes,
16 but is not limited to, soil testing sensors, computers,
17 monitors, software, global positioning and mapping systems,
18 and other such equipment.

19 Farm machinery and equipment also includes computers,
20 sensors, software, and related equipment used primarily in
21 the computer-assisted operation of production agriculture
22 facilities, equipment, and activities such as, but not
23 limited to, the collection, monitoring, and correlation of
24 animal and crop data for the purpose of formulating animal
25 diets and agricultural chemicals. This item (11) is exempt
26 from the provisions of Section 3-90.

27 (12) Fuel and petroleum products sold to or used by an
28 air common carrier, certified by the carrier to be used for
29 consumption, shipment, or storage in the conduct of its
30 business as an air common carrier, for a flight destined for
31 or returning from a location or locations outside the United
32 States without regard to previous or subsequent domestic
33 stopovers.

34 (13) Proceeds of mandatory service charges separately

1 stated on customers' bills for the purchase and consumption
2 of food and beverages purchased at retail from a retailer, to
3 the extent that the proceeds of the service charge are in
4 fact turned over as tips or as a substitute for tips to the
5 employees who participate directly in preparing, serving,
6 hosting or cleaning up the food or beverage function with
7 respect to which the service charge is imposed.

8 (14) Oil field exploration, drilling, and production
9 equipment, including (i) rigs and parts of rigs, rotary rigs,
10 cable tool rigs, and workover rigs, (ii) pipe and tubular
11 goods, including casing and drill strings, (iii) pumps and
12 pump-jack units, (iv) storage tanks and flow lines, (v) any
13 individual replacement part for oil field exploration,
14 drilling, and production equipment, and (vi) machinery and
15 equipment purchased for lease; but excluding motor vehicles
16 required to be registered under the Illinois Vehicle Code.

17 (15) Photoprocessing machinery and equipment, including
18 repair and replacement parts, both new and used, including
19 that manufactured on special order, certified by the
20 purchaser to be used primarily for photoprocessing, and
21 including photoprocessing machinery and equipment purchased
22 for lease.

23 (16) Coal exploration, mining, offhighway hauling,
24 processing, maintenance, and reclamation equipment, including
25 replacement parts and equipment, and including equipment
26 purchased for lease, but excluding motor vehicles required to
27 be registered under the Illinois Vehicle Code.

28 (17) Distillation machinery and equipment, sold as a
29 unit or kit, assembled or installed by the retailer,
30 certified by the user to be used only for the production of
31 ethyl alcohol that will be used for consumption as motor fuel
32 or as a component of motor fuel for the personal use of the
33 user, and not subject to sale or resale.

34 (18) Manufacturing and assembling machinery and

1 equipment used primarily in the process of manufacturing or
2 assembling tangible personal property for wholesale or retail
3 sale or lease, whether that sale or lease is made directly by
4 the manufacturer or by some other person, whether the
5 materials used in the process are owned by the manufacturer
6 or some other person, or whether that sale or lease is made
7 apart from or as an incident to the seller's engaging in the
8 service occupation of producing machines, tools, dies, jigs,
9 patterns, gauges, or other similar items of no commercial
10 value on special order for a particular purchaser.

11 (19) Personal property delivered to a purchaser or
12 purchaser's donee inside Illinois when the purchase order for
13 that personal property was received by a florist located
14 outside Illinois who has a florist located inside Illinois
15 deliver the personal property.

16 (20) Semen used for artificial insemination of livestock
17 for direct agricultural production.

18 (21) Horses, or interests in horses, registered with and
19 meeting the requirements of any of the Arabian Horse Club
20 Registry of America, Appaloosa Horse Club, American Quarter
21 Horse Association, United States Trotting Association, or
22 Jockey Club, as appropriate, used for purposes of breeding or
23 racing for prizes.

24 (22) Computers and communications equipment utilized for
25 any hospital purpose and equipment used in the diagnosis,
26 analysis, or treatment of hospital patients purchased by a
27 lessor who leases the equipment, under a lease of one year or
28 longer executed or in effect at the time the lessor would
29 otherwise be subject to the tax imposed by this Act, to a
30 hospital that has been issued an active tax exemption
31 identification number by the Department under Section 1g of
32 the Retailers' Occupation Tax Act. If the equipment is
33 leased in a manner that does not qualify for this exemption
34 or is used in any other non-exempt manner, the lessor shall

1 be liable for the tax imposed under this Act or the Service
2 Use Tax Act, as the case may be, based on the fair market
3 value of the property at the time the non-qualifying use
4 occurs. No lessor shall collect or attempt to collect an
5 amount (however designated) that purports to reimburse that
6 lessor for the tax imposed by this Act or the Service Use Tax
7 Act, as the case may be, if the tax has not been paid by the
8 lessor. If a lessor improperly collects any such amount from
9 the lessee, the lessee shall have a legal right to claim a
10 refund of that amount from the lessor. If, however, that
11 amount is not refunded to the lessee for any reason, the
12 lessor is liable to pay that amount to the Department.

13 (23) Personal property purchased by a lessor who leases
14 the property, under a lease of one year or longer executed
15 or in effect at the time the lessor would otherwise be
16 subject to the tax imposed by this Act, to a governmental
17 body that has been issued an active sales tax exemption
18 identification number by the Department under Section 1g of
19 the Retailers' Occupation Tax Act. If the property is leased
20 in a manner that does not qualify for this exemption or used
21 in any other non-exempt manner, the lessor shall be liable
22 for the tax imposed under this Act or the Service Use Tax
23 Act, as the case may be, based on the fair market value of
24 the property at the time the non-qualifying use occurs. No
25 lessor shall collect or attempt to collect an amount (however
26 designated) that purports to reimburse that lessor for the
27 tax imposed by this Act or the Service Use Tax Act, as the
28 case may be, if the tax has not been paid by the lessor. If
29 a lessor improperly collects any such amount from the lessee,
30 the lessee shall have a legal right to claim a refund of that
31 amount from the lessor. If, however, that amount is not
32 refunded to the lessee for any reason, the lessor is liable
33 to pay that amount to the Department.

34 (24) Beginning with taxable years ending on or after

1 December 31, 1995 and ending with taxable years ending on or
2 before December 31, 2004, personal property that is donated
3 for disaster relief to be used in a State or federally
4 declared disaster area in Illinois or bordering Illinois by a
5 manufacturer or retailer that is registered in this State to
6 a corporation, society, association, foundation, or
7 institution that has been issued a sales tax exemption
8 identification number by the Department that assists victims
9 of the disaster who reside within the declared disaster area.

10 (25) Beginning with taxable years ending on or after
11 December 31, 1995 and ending with taxable years ending on or
12 before December 31, 2004, personal property that is used in
13 the performance of infrastructure repairs in this State,
14 including but not limited to municipal roads and streets,
15 access roads, bridges, sidewalks, waste disposal systems,
16 water and sewer line extensions, water distribution and
17 purification facilities, storm water drainage and retention
18 facilities, and sewage treatment facilities, resulting from a
19 State or federally declared disaster in Illinois or bordering
20 Illinois when such repairs are initiated on facilities
21 located in the declared disaster area within 6 months after
22 the disaster.

23 (26) Beginning July 1, 1999, game or game birds
24 purchased at a "game breeding and hunting preserve area" or
25 an "exotic game hunting area" as those terms are used in the
26 Wildlife Code or at a hunting enclosure approved through
27 rules adopted by the Department of Natural Resources. This
28 paragraph is exempt from the provisions of Section 3-90.

29 (27) A motor vehicle, as that term is defined in Section
30 1-146 of the Illinois Vehicle Code, that is donated to a
31 corporation, limited liability company, society, association,
32 foundation, or institution that is determined by the
33 Department to be organized and operated exclusively for
34 educational purposes. For purposes of this exemption, "a

1 corporation, limited liability company, society, association,
2 foundation, or institution organized and operated exclusively
3 for educational purposes" means all tax-supported public
4 schools, private schools that offer systematic instruction in
5 useful branches of learning by methods common to public
6 schools and that compare favorably in their scope and
7 intensity with the course of study presented in tax-supported
8 schools, and vocational or technical schools or institutes
9 organized and operated exclusively to provide a course of
10 study of not less than 6 weeks duration and designed to
11 prepare individuals to follow a trade or to pursue a manual,
12 technical, mechanical, industrial, business, or commercial
13 occupation.

14 (28) Beginning January 1, 2000, personal property,
15 including food, purchased through fundraising events for the
16 benefit of a public or private elementary or secondary
17 school, a group of those schools, or one or more school
18 districts if the events are sponsored by an entity recognized
19 by the school district that consists primarily of volunteers
20 and includes parents and teachers of the school children.
21 This paragraph does not apply to fundraising events (i) for
22 the benefit of private home instruction or (ii) for which the
23 fundraising entity purchases the personal property sold at
24 the events from another individual or entity that sold the
25 property for the purpose of resale by the fundraising entity
26 and that profits from the sale to the fundraising entity.
27 This paragraph is exempt from the provisions of Section 3-90.

28 (29) Beginning January 1, 2000, new or used automatic
29 vending machines that prepare and serve hot food and
30 beverages, including coffee, soup, and other items, and
31 replacement parts for these machines. This paragraph is
32 exempt from the provisions of Section 3-90.

33 (30) Food for human consumption that is to be consumed
34 off the premises where it is sold (other than alcoholic

1 beverages, soft drinks, and food that has been prepared for
 2 immediate consumption) and prescription and nonprescription
 3 medicines, drugs, medical appliances, and insulin, urine
 4 testing materials, syringes, and needles used by diabetics,
 5 for human use, when purchased for use by a person receiving
 6 medical assistance under Article 5 of the Illinois Public Aid
 7 Code who resides in a licensed long-term care facility, as
 8 defined in the Nursing Home Care Act.

9 (31) Beginning in 2001, propane and home heating oil
 10 sold to residential customers on or after December 1 and
 11 continuing through March 31 of the next year. This paragraph
 12 is exempt from the provisions of Section 3-90.

13 (32) Beginning in 2002, for bills issued on or after
 14 January 1 and through April 30 each year, natural gas
 15 distributed, supplied, furnished, or sold to residential
 16 customers. This paragraph is exempt from the provisions of
 17 Section 3-90.

18 (Source: P.A. 90-14, eff. 7-1-97; 90-552, eff. 12-12-97;
 19 90-605, eff. 6-30-98; 91-51, eff. 6-30-99; 91-200, eff.
 20 7-20-99; 91-439, eff. 8-6-99; 91-637, eff. 8-20-99; 91-644,
 21 eff. 8-20-99; 91-901, eff. 1-1-01.)

22 Section 20. The Service Use Tax Act is amended by
 23 changing Section 3-5 as follows:

24 (35 ILCS 110/3-5) (from Ch. 120, par. 439.33-5)
 25 Sec. 3-5. Exemptions. Use of the following tangible
 26 personal property is exempt from the tax imposed by this Act:
 27 (1) Personal property purchased from a corporation,
 28 society, association, foundation, institution, or
 29 organization, other than a limited liability company, that is
 30 organized and operated as a not-for-profit service enterprise
 31 for the benefit of persons 65 years of age or older if the
 32 personal property was not purchased by the enterprise for the

1 purpose of resale by the enterprise.

2 (2) Personal property purchased by a non-profit Illinois
3 county fair association for use in conducting, operating, or
4 promoting the county fair.

5 (3) Personal property purchased by a not-for-profit arts
6 or cultural organization that establishes, by proof required
7 by the Department by rule, that it has received an exemption
8 under Section 501(c)(3) of the Internal Revenue Code and that
9 is organized and operated for the presentation or support of
10 arts or cultural programming, activities, or services. These
11 organizations include, but are not limited to, music and
12 dramatic arts organizations such as symphony orchestras and
13 theatrical groups, arts and cultural service organizations,
14 local arts councils, visual arts organizations, and media
15 arts organizations.

16 (4) Legal tender, currency, medallions, or gold or
17 silver coinage issued by the State of Illinois, the
18 government of the United States of America, or the government
19 of any foreign country, and bullion.

20 (5) Graphic arts machinery and equipment, including
21 repair and replacement parts, both new and used, and
22 including that manufactured on special order or purchased for
23 lease, certified by the purchaser to be used primarily for
24 graphic arts production.

25 (6) Personal property purchased from a teacher-sponsored
26 student organization affiliated with an elementary or
27 secondary school located in Illinois.

28 (7) Farm machinery and equipment, both new and used,
29 including that manufactured on special order, certified by
30 the purchaser to be used primarily for production agriculture
31 or State or federal agricultural programs, including
32 individual replacement parts for the machinery and equipment,
33 including machinery and equipment purchased for lease, and
34 including implements of husbandry defined in Section 1-130 of

1 the Illinois Vehicle Code, farm machinery and agricultural
2 chemical and fertilizer spreaders, and nurse wagons required
3 to be registered under Section 3-809 of the Illinois Vehicle
4 Code, but excluding other motor vehicles required to be
5 registered under the Illinois Vehicle Code. Horticultural
6 polyhouses or hoop houses used for propagating, growing, or
7 overwintering plants shall be considered farm machinery and
8 equipment under this item (7). Agricultural chemical tender
9 tanks and dry boxes shall include units sold separately from
10 a motor vehicle required to be licensed and units sold
11 mounted on a motor vehicle required to be licensed if the
12 selling price of the tender is separately stated.

13 Farm machinery and equipment shall include precision
14 farming equipment that is installed or purchased to be
15 installed on farm machinery and equipment including, but not
16 limited to, tractors, harvesters, sprayers, planters,
17 seeders, or spreaders. Precision farming equipment includes,
18 but is not limited to, soil testing sensors, computers,
19 monitors, software, global positioning and mapping systems,
20 and other such equipment.

21 Farm machinery and equipment also includes computers,
22 sensors, software, and related equipment used primarily in
23 the computer-assisted operation of production agriculture
24 facilities, equipment, and activities such as, but not
25 limited to, the collection, monitoring, and correlation of
26 animal and crop data for the purpose of formulating animal
27 diets and agricultural chemicals. This item (7) is exempt
28 from the provisions of Section 3-75.

29 (8) Fuel and petroleum products sold to or used by an
30 air common carrier, certified by the carrier to be used for
31 consumption, shipment, or storage in the conduct of its
32 business as an air common carrier, for a flight destined for
33 or returning from a location or locations outside the United
34 States without regard to previous or subsequent domestic

1 stopovers.

2 (9) Proceeds of mandatory service charges separately
3 stated on customers' bills for the purchase and consumption
4 of food and beverages acquired as an incident to the purchase
5 of a service from a serviceman, to the extent that the
6 proceeds of the service charge are in fact turned over as
7 tips or as a substitute for tips to the employees who
8 participate directly in preparing, serving, hosting or
9 cleaning up the food or beverage function with respect to
10 which the service charge is imposed.

11 (10) Oil field exploration, drilling, and production
12 equipment, including (i) rigs and parts of rigs, rotary rigs,
13 cable tool rigs, and workover rigs, (ii) pipe and tubular
14 goods, including casing and drill strings, (iii) pumps and
15 pump-jack units, (iv) storage tanks and flow lines, (v) any
16 individual replacement part for oil field exploration,
17 drilling, and production equipment, and (vi) machinery and
18 equipment purchased for lease; but excluding motor vehicles
19 required to be registered under the Illinois Vehicle Code.

20 (11) Proceeds from the sale of photoprocessing machinery
21 and equipment, including repair and replacement parts, both
22 new and used, including that manufactured on special order,
23 certified by the purchaser to be used primarily for
24 photoprocessing, and including photoprocessing machinery and
25 equipment purchased for lease.

26 (12) Coal exploration, mining, offhighway hauling,
27 processing, maintenance, and reclamation equipment, including
28 replacement parts and equipment, and including equipment
29 purchased for lease, but excluding motor vehicles required to
30 be registered under the Illinois Vehicle Code.

31 (13) Semen used for artificial insemination of livestock
32 for direct agricultural production.

33 (14) Horses, or interests in horses, registered with and
34 meeting the requirements of any of the Arabian Horse Club

1 Registry of America, Appaloosa Horse Club, American Quarter
2 Horse Association, United States Trotting Association, or
3 Jockey Club, as appropriate, used for purposes of breeding or
4 racing for prizes.

5 (15) Computers and communications equipment utilized for
6 any hospital purpose and equipment used in the diagnosis,
7 analysis, or treatment of hospital patients purchased by a
8 lessor who leases the equipment, under a lease of one year or
9 longer executed or in effect at the time the lessor would
10 otherwise be subject to the tax imposed by this Act, to a
11 hospital that has been issued an active tax exemption
12 identification number by the Department under Section 1g of
13 the Retailers' Occupation Tax Act. If the equipment is leased
14 in a manner that does not qualify for this exemption or is
15 used in any other non-exempt manner, the lessor shall be
16 liable for the tax imposed under this Act or the Use Tax Act,
17 as the case may be, based on the fair market value of the
18 property at the time the non-qualifying use occurs. No
19 lessor shall collect or attempt to collect an amount (however
20 designated) that purports to reimburse that lessor for the
21 tax imposed by this Act or the Use Tax Act, as the case may
22 be, if the tax has not been paid by the lessor. If a lessor
23 improperly collects any such amount from the lessee, the
24 lessee shall have a legal right to claim a refund of that
25 amount from the lessor. If, however, that amount is not
26 refunded to the lessee for any reason, the lessor is liable
27 to pay that amount to the Department.

28 (16) Personal property purchased by a lessor who leases
29 the property, under a lease of one year or longer executed or
30 in effect at the time the lessor would otherwise be subject
31 to the tax imposed by this Act, to a governmental body that
32 has been issued an active tax exemption identification number
33 by the Department under Section 1g of the Retailers'
34 Occupation Tax Act. If the property is leased in a manner

1 that does not qualify for this exemption or is used in any
2 other non-exempt manner, the lessor shall be liable for the
3 tax imposed under this Act or the Use Tax Act, as the case
4 may be, based on the fair market value of the property at the
5 time the non-qualifying use occurs. No lessor shall collect
6 or attempt to collect an amount (however designated) that
7 purports to reimburse that lessor for the tax imposed by this
8 Act or the Use Tax Act, as the case may be, if the tax has
9 not been paid by the lessor. If a lessor improperly collects
10 any such amount from the lessee, the lessee shall have a
11 legal right to claim a refund of that amount from the lessor.
12 If, however, that amount is not refunded to the lessee for
13 any reason, the lessor is liable to pay that amount to the
14 Department.

15 (17) Beginning with taxable years ending on or after
16 December 31, 1995 and ending with taxable years ending on or
17 before December 31, 2004, personal property that is donated
18 for disaster relief to be used in a State or federally
19 declared disaster area in Illinois or bordering Illinois by a
20 manufacturer or retailer that is registered in this State to
21 a corporation, society, association, foundation, or
22 institution that has been issued a sales tax exemption
23 identification number by the Department that assists victims
24 of the disaster who reside within the declared disaster area.

25 (18) Beginning with taxable years ending on or after
26 December 31, 1995 and ending with taxable years ending on or
27 before December 31, 2004, personal property that is used in
28 the performance of infrastructure repairs in this State,
29 including but not limited to municipal roads and streets,
30 access roads, bridges, sidewalks, waste disposal systems,
31 water and sewer line extensions, water distribution and
32 purification facilities, storm water drainage and retention
33 facilities, and sewage treatment facilities, resulting from a
34 State or federally declared disaster in Illinois or bordering

1 Illinois when such repairs are initiated on facilities
2 located in the declared disaster area within 6 months after
3 the disaster.

4 (19) Beginning July 1, 1999, game or game birds
5 purchased at a "game breeding and hunting preserve area" or
6 an "exotic game hunting area" as those terms are used in the
7 Wildlife Code or at a hunting enclosure approved through
8 rules adopted by the Department of Natural Resources. This
9 paragraph is exempt from the provisions of Section 3-75.

10 (20) ~~(19)~~ A motor vehicle, as that term is defined in
11 Section 1-146 of the Illinois Vehicle Code, that is donated
12 to a corporation, limited liability company, society,
13 association, foundation, or institution that is determined by
14 the Department to be organized and operated exclusively for
15 educational purposes. For purposes of this exemption, "a
16 corporation, limited liability company, society, association,
17 foundation, or institution organized and operated exclusively
18 for educational purposes" means all tax-supported public
19 schools, private schools that offer systematic instruction in
20 useful branches of learning by methods common to public
21 schools and that compare favorably in their scope and
22 intensity with the course of study presented in tax-supported
23 schools, and vocational or technical schools or institutes
24 organized and operated exclusively to provide a course of
25 study of not less than 6 weeks duration and designed to
26 prepare individuals to follow a trade or to pursue a manual,
27 technical, mechanical, industrial, business, or commercial
28 occupation.

29 (21) ~~(20)~~ Beginning January 1, 2000, personal property,
30 including food, purchased through fundraising events for the
31 benefit of a public or private elementary or secondary
32 school, a group of those schools, or one or more school
33 districts if the events are sponsored by an entity recognized
34 by the school district that consists primarily of volunteers

1 and includes parents and teachers of the school children.
 2 This paragraph does not apply to fundraising events (i) for
 3 the benefit of private home instruction or (ii) for which the
 4 fundraising entity purchases the personal property sold at
 5 the events from another individual or entity that sold the
 6 property for the purpose of resale by the fundraising entity
 7 and that profits from the sale to the fundraising entity.
 8 This paragraph is exempt from the provisions of Section 3-75.

9 (22) (19) Beginning January 1, 2000, new or used
 10 automatic vending machines that prepare and serve hot food
 11 and beverages, including coffee, soup, and other items, and
 12 replacement parts for these machines. This paragraph is
 13 exempt from the provisions of Section 3-75.

14 (23) Beginning in 2001, propane and home heating oil
 15 sold to residential customers on or after December 1 and
 16 continuing through March 31 of the next year. This paragraph
 17 is exempt from the provisions of Section 3-75.

18 (24) Beginning in 2002, for bills issued on or after
 19 January 1 and through April 30 each year, natural gas
 20 distributed, supplied, furnished, or sold to residential
 21 customers. This paragraph is exempt from the provisions of
 22 Section 3-75.

23 (Source: P.A. 90-14, eff. 7-1-97; 90-552, eff. 12-12-97;
 24 90-605, eff. 6-30-98; 91-51, eff. 6-30-99; 91-200, eff.
 25 7-20-99; 91-439, eff. 8-6-99; 91-637, eff. 8-20-99; 91-644,
 26 eff. 8-20-99; revised 9-29-99.)

27 Section 25. The Service Occupation Tax Act is amended by
 28 changing Section 3-5 as follows:

29 (35 ILCS 115/3-5) (from Ch. 120, par. 439.103-5)
 30 Sec. 3-5. Exemptions. The following tangible personal
 31 property is exempt from the tax imposed by this Act:

32 (1) Personal property sold by a corporation, society,

1 association, foundation, institution, or organization, other
2 than a limited liability company, that is organized and
3 operated as a not-for-profit service enterprise for the
4 benefit of persons 65 years of age or older if the personal
5 property was not purchased by the enterprise for the purpose
6 of resale by the enterprise.

7 (2) Personal property purchased by a not-for-profit
8 Illinois county fair association for use in conducting,
9 operating, or promoting the county fair.

10 (3) Personal property purchased by any not-for-profit
11 arts or cultural organization that establishes, by proof
12 required by the Department by rule, that it has received an
13 exemption under Section 501(c)(3) of the Internal Revenue
14 Code and that is organized and operated for the presentation
15 or support of arts or cultural programming, activities, or
16 services. These organizations include, but are not limited
17 to, music and dramatic arts organizations such as symphony
18 orchestras and theatrical groups, arts and cultural service
19 organizations, local arts councils, visual arts
20 organizations, and media arts organizations.

21 (4) Legal tender, currency, medallions, or gold or
22 silver coinage issued by the State of Illinois, the
23 government of the United States of America, or the government
24 of any foreign country, and bullion.

25 (5) Graphic arts machinery and equipment, including
26 repair and replacement parts, both new and used, and
27 including that manufactured on special order or purchased for
28 lease, certified by the purchaser to be used primarily for
29 graphic arts production.

30 (6) Personal property sold by a teacher-sponsored
31 student organization affiliated with an elementary or
32 secondary school located in Illinois.

33 (7) Farm machinery and equipment, both new and used,
34 including that manufactured on special order, certified by

1 the purchaser to be used primarily for production agriculture
2 or State or federal agricultural programs, including
3 individual replacement parts for the machinery and equipment,
4 including machinery and equipment purchased for lease, and
5 including implements of husbandry defined in Section 1-130 of
6 the Illinois Vehicle Code, farm machinery and agricultural
7 chemical and fertilizer spreaders, and nurse wagons required
8 to be registered under Section 3-809 of the Illinois Vehicle
9 Code, but excluding other motor vehicles required to be
10 registered under the Illinois Vehicle Code. Horticultural
11 polyhouses or hoop houses used for propagating, growing, or
12 overwintering plants shall be considered farm machinery and
13 equipment under this item (7). Agricultural chemical tender
14 tanks and dry boxes shall include units sold separately from
15 a motor vehicle required to be licensed and units sold
16 mounted on a motor vehicle required to be licensed if the
17 selling price of the tender is separately stated.

18 Farm machinery and equipment shall include precision
19 farming equipment that is installed or purchased to be
20 installed on farm machinery and equipment including, but not
21 limited to, tractors, harvesters, sprayers, planters,
22 seeders, or spreaders. Precision farming equipment includes,
23 but is not limited to, soil testing sensors, computers,
24 monitors, software, global positioning and mapping systems,
25 and other such equipment.

26 Farm machinery and equipment also includes computers,
27 sensors, software, and related equipment used primarily in
28 the computer-assisted operation of production agriculture
29 facilities, equipment, and activities such as, but not
30 limited to, the collection, monitoring, and correlation of
31 animal and crop data for the purpose of formulating animal
32 diets and agricultural chemicals. This item (7) is exempt
33 from the provisions of Section 3-55.

34 (8) Fuel and petroleum products sold to or used by an

1 air common carrier, certified by the carrier to be used for
2 consumption, shipment, or storage in the conduct of its
3 business as an air common carrier, for a flight destined for
4 or returning from a location or locations outside the United
5 States without regard to previous or subsequent domestic
6 stopovers.

7 (9) Proceeds of mandatory service charges separately
8 stated on customers' bills for the purchase and consumption
9 of food and beverages, to the extent that the proceeds of the
10 service charge are in fact turned over as tips or as a
11 substitute for tips to the employees who participate directly
12 in preparing, serving, hosting or cleaning up the food or
13 beverage function with respect to which the service charge is
14 imposed.

15 (10) Oil field exploration, drilling, and production
16 equipment, including (i) rigs and parts of rigs, rotary rigs,
17 cable tool rigs, and workover rigs, (ii) pipe and tubular
18 goods, including casing and drill strings, (iii) pumps and
19 pump-jack units, (iv) storage tanks and flow lines, (v) any
20 individual replacement part for oil field exploration,
21 drilling, and production equipment, and (vi) machinery and
22 equipment purchased for lease; but excluding motor vehicles
23 required to be registered under the Illinois Vehicle Code.

24 (11) Photoprocessing machinery and equipment, including
25 repair and replacement parts, both new and used, including
26 that manufactured on special order, certified by the
27 purchaser to be used primarily for photoprocessing, and
28 including photoprocessing machinery and equipment purchased
29 for lease.

30 (12) Coal exploration, mining, offhighway hauling,
31 processing, maintenance, and reclamation equipment, including
32 replacement parts and equipment, and including equipment
33 purchased for lease, but excluding motor vehicles required to
34 be registered under the Illinois Vehicle Code.

1 (13) Food for human consumption that is to be consumed
2 off the premises where it is sold (other than alcoholic
3 beverages, soft drinks and food that has been prepared for
4 immediate consumption) and prescription and non-prescription
5 medicines, drugs, medical appliances, and insulin, urine
6 testing materials, syringes, and needles used by diabetics,
7 for human use, when purchased for use by a person receiving
8 medical assistance under Article 5 of the Illinois Public Aid
9 Code who resides in a licensed long-term care facility, as
10 defined in the Nursing Home Care Act.

11 (14) Semen used for artificial insemination of livestock
12 for direct agricultural production.

13 (15) Horses, or interests in horses, registered with and
14 meeting the requirements of any of the Arabian Horse Club
15 Registry of America, Appaloosa Horse Club, American Quarter
16 Horse Association, United States Trotting Association, or
17 Jockey Club, as appropriate, used for purposes of breeding or
18 racing for prizes.

19 (16) Computers and communications equipment utilized for
20 any hospital purpose and equipment used in the diagnosis,
21 analysis, or treatment of hospital patients sold to a lessor
22 who leases the equipment, under a lease of one year or longer
23 executed or in effect at the time of the purchase, to a
24 hospital that has been issued an active tax exemption
25 identification number by the Department under Section 1g of
26 the Retailers' Occupation Tax Act.

27 (17) Personal property sold to a lessor who leases the
28 property, under a lease of one year or longer executed or in
29 effect at the time of the purchase, to a governmental body
30 that has been issued an active tax exemption identification
31 number by the Department under Section 1g of the Retailers'
32 Occupation Tax Act.

33 (18) Beginning with taxable years ending on or after
34 December 31, 1995 and ending with taxable years ending on or

1 before December 31, 2004, personal property that is donated
2 for disaster relief to be used in a State or federally
3 declared disaster area in Illinois or bordering Illinois by a
4 manufacturer or retailer that is registered in this State to
5 a corporation, society, association, foundation, or
6 institution that has been issued a sales tax exemption
7 identification number by the Department that assists victims
8 of the disaster who reside within the declared disaster area.

9 (19) Beginning with taxable years ending on or after
10 December 31, 1995 and ending with taxable years ending on or
11 before December 31, 2004, personal property that is used in
12 the performance of infrastructure repairs in this State,
13 including but not limited to municipal roads and streets,
14 access roads, bridges, sidewalks, waste disposal systems,
15 water and sewer line extensions, water distribution and
16 purification facilities, storm water drainage and retention
17 facilities, and sewage treatment facilities, resulting from a
18 State or federally declared disaster in Illinois or bordering
19 Illinois when such repairs are initiated on facilities
20 located in the declared disaster area within 6 months after
21 the disaster.

22 (20) Beginning July 1, 1999, game or game birds sold at
23 a "game breeding and hunting preserve area" or an "exotic
24 game hunting area" as those terms are used in the Wildlife
25 Code or at a hunting enclosure approved through rules adopted
26 by the Department of Natural Resources. This paragraph is
27 exempt from the provisions of Section 3-55.

28 (21) ~~(20)~~ A motor vehicle, as that term is defined in
29 Section 1-146 of the Illinois Vehicle Code, that is donated
30 to a corporation, limited liability company, society,
31 association, foundation, or institution that is determined by
32 the Department to be organized and operated exclusively for
33 educational purposes. For purposes of this exemption, "a
34 corporation, limited liability company, society, association,

1 foundation, or institution organized and operated exclusively
2 for educational purposes" means all tax-supported public
3 schools, private schools that offer systematic instruction in
4 useful branches of learning by methods common to public
5 schools and that compare favorably in their scope and
6 intensity with the course of study presented in tax-supported
7 schools, and vocational or technical schools or institutes
8 organized and operated exclusively to provide a course of
9 study of not less than 6 weeks duration and designed to
10 prepare individuals to follow a trade or to pursue a manual,
11 technical, mechanical, industrial, business, or commercial
12 occupation.

13 (22) ~~(21)~~ Beginning January 1, 2000, personal property,
14 including food, purchased through fundraising events for the
15 benefit of a public or private elementary or secondary
16 school, a group of those schools, or one or more school
17 districts if the events are sponsored by an entity recognized
18 by the school district that consists primarily of volunteers
19 and includes parents and teachers of the school children.
20 This paragraph does not apply to fundraising events (i) for
21 the benefit of private home instruction or (ii) for which the
22 fundraising entity purchases the personal property sold at
23 the events from another individual or entity that sold the
24 property for the purpose of resale by the fundraising entity
25 and that profits from the sale to the fundraising entity.
26 This paragraph is exempt from the provisions of Section 3-55.

27 (23) ~~(20)~~ Beginning January 1, 2000, new or used
28 automatic vending machines that prepare and serve hot food
29 and beverages, including coffee, soup, and other items, and
30 replacement parts for these machines. This paragraph is
31 exempt from the provisions of Section 3-55.

32 (24) Beginning in 2001, propane and home heating oil
33 sold to residential customers on or after December 1 and
34 continuing through March 31 of the next year. This paragraph

1 is exempt from the provisions of Section 3-55.

2 (25) Beginning in 2002, for bills issued on or after
3 January 1 and through April 30 each year, natural gas
4 distributed, supplied, furnished, or sold to residential
5 customers. This paragraph is exempt from the provisions of
6 Section 3-55.

7 (Source: P.A. 90-14, eff. 7-1-97; 90-552, eff. 12-12-97;
8 90-605, eff. 6-30-98; 91-51, eff. 6-30-99; 91-200, eff.
9 7-20-99; 91-439, eff. 8-6-99; 91-533, eff. 8-13-99; 91-637,
10 eff. 8-20-99; 91-644, eff. 8-20-99; revised 9-29-99.)

11 Section 30. The Retailers' Occupation Tax Act is amended
12 by changing Section 2-5 and by adding Section 2-6 as follows:

13 (35 ILCS 120/2-5) (from Ch. 120, par. 441-5)

14 Sec. 2-5. Exemptions. Gross receipts from proceeds from
15 the sale of the following tangible personal property are
16 exempt from the tax imposed by this Act:

- 17 (1) Farm chemicals.
- 18 (2) Farm machinery and equipment, both new and used,
19 including that manufactured on special order, certified by
20 the purchaser to be used primarily for production agriculture
21 or State or federal agricultural programs, including
22 individual replacement parts for the machinery and equipment,
23 including machinery and equipment purchased for lease, and
24 including implements of husbandry defined in Section 1-130 of
25 the Illinois Vehicle Code, farm machinery and agricultural
26 chemical and fertilizer spreaders, and nurse wagons required
27 to be registered under Section 3-809 of the Illinois Vehicle
28 Code, but excluding other motor vehicles required to be
29 registered under the Illinois Vehicle Code. Horticultural
30 polyhouses or hoop houses used for propagating, growing, or
31 overwintering plants shall be considered farm machinery and
32 equipment under this item (2). Agricultural chemical tender

1 tanks and dry boxes shall include units sold separately from
2 a motor vehicle required to be licensed and units sold
3 mounted on a motor vehicle required to be licensed, if the
4 selling price of the tender is separately stated.

5 Farm machinery and equipment shall include precision
6 farming equipment that is installed or purchased to be
7 installed on farm machinery and equipment including, but not
8 limited to, tractors, harvesters, sprayers, planters,
9 seeders, or spreaders. Precision farming equipment includes,
10 but is not limited to, soil testing sensors, computers,
11 monitors, software, global positioning and mapping systems,
12 and other such equipment.

13 Farm machinery and equipment also includes computers,
14 sensors, software, and related equipment used primarily in
15 the computer-assisted operation of production agriculture
16 facilities, equipment, and activities such as, but not
17 limited to, the collection, monitoring, and correlation of
18 animal and crop data for the purpose of formulating animal
19 diets and agricultural chemicals. This item (7) is exempt
20 from the provisions of Section 2-70.

21 (3) Distillation machinery and equipment, sold as a unit
22 or kit, assembled or installed by the retailer, certified by
23 the user to be used only for the production of ethyl alcohol
24 that will be used for consumption as motor fuel or as a
25 component of motor fuel for the personal use of the user, and
26 not subject to sale or resale.

27 (4) Graphic arts machinery and equipment, including
28 repair and replacement parts, both new and used, and
29 including that manufactured on special order or purchased for
30 lease, certified by the purchaser to be used primarily for
31 graphic arts production.

32 (5) A motor vehicle of the first division, a motor
33 vehicle of the second division that is a self-contained motor
34 vehicle designed or permanently converted to provide living

1 quarters for recreational, camping, or travel use, with
2 direct walk through access to the living quarters from the
3 driver's seat, or a motor vehicle of the second division that
4 is of the van configuration designed for the transportation
5 of not less than 7 nor more than 16 passengers, as defined in
6 Section 1-146 of the Illinois Vehicle Code, that is used for
7 automobile renting, as defined in the Automobile Renting
8 Occupation and Use Tax Act.

9 (6) Personal property sold by a teacher-sponsored
10 student organization affiliated with an elementary or
11 secondary school located in Illinois.

12 (7) Proceeds of that portion of the selling price of a
13 passenger car the sale of which is subject to the Replacement
14 Vehicle Tax.

15 (8) Personal property sold to an Illinois county fair
16 association for use in conducting, operating, or promoting
17 the county fair.

18 (9) Personal property sold to a not-for-profit arts or
19 cultural organization that establishes, by proof required by
20 the Department by rule, that it has received an exemption
21 under Section 501(c)(3) of the Internal Revenue Code and that
22 is organized and operated for the presentation or support of
23 arts or cultural programming, activities, or services. These
24 organizations include, but are not limited to, music and
25 dramatic arts organizations such as symphony orchestras and
26 theatrical groups, arts and cultural service organizations,
27 local arts councils, visual arts organizations, and media
28 arts organizations.

29 (10) Personal property sold by a corporation, society,
30 association, foundation, institution, or organization, other
31 than a limited liability company, that is organized and
32 operated as a not-for-profit service enterprise for the
33 benefit of persons 65 years of age or older if the personal
34 property was not purchased by the enterprise for the purpose

1 of resale by the enterprise.

2 (11) Personal property sold to a governmental body, to a
3 corporation, society, association, foundation, or institution
4 organized and operated exclusively for charitable, religious,
5 or educational purposes, or to a not-for-profit corporation,
6 society, association, foundation, institution, or
7 organization that has no compensated officers or employees
8 and that is organized and operated primarily for the
9 recreation of persons 55 years of age or older. A limited
10 liability company may qualify for the exemption under this
11 paragraph only if the limited liability company is organized
12 and operated exclusively for educational purposes. On and
13 after July 1, 1987, however, no entity otherwise eligible for
14 this exemption shall make tax-free purchases unless it has an
15 active identification number issued by the Department.

16 (12) Personal property sold to interstate carriers for
17 hire for use as rolling stock moving in interstate commerce
18 or to lessors under leases of one year or longer executed or
19 in effect at the time of purchase by interstate carriers for
20 hire for use as rolling stock moving in interstate commerce
21 and equipment operated by a telecommunications provider,
22 licensed as a common carrier by the Federal Communications
23 Commission, which is permanently installed in or affixed to
24 aircraft moving in interstate commerce.

25 (13) Proceeds from sales to owners, lessors, or shippers
26 of tangible personal property that is utilized by interstate
27 carriers for hire for use as rolling stock moving in
28 interstate commerce and equipment operated by a
29 telecommunications provider, licensed as a common carrier by
30 the Federal Communications Commission, which is permanently
31 installed in or affixed to aircraft moving in interstate
32 commerce.

33 (14) Machinery and equipment that will be used by the
34 purchaser, or a lessee of the purchaser, primarily in the

1 process of manufacturing or assembling tangible personal
2 property for wholesale or retail sale or lease, whether the
3 sale or lease is made directly by the manufacturer or by some
4 other person, whether the materials used in the process are
5 owned by the manufacturer or some other person, or whether
6 the sale or lease is made apart from or as an incident to the
7 seller's engaging in the service occupation of producing
8 machines, tools, dies, jigs, patterns, gauges, or other
9 similar items of no commercial value on special order for a
10 particular purchaser.

11 (15) Proceeds of mandatory service charges separately
12 stated on customers' bills for purchase and consumption of
13 food and beverages, to the extent that the proceeds of the
14 service charge are in fact turned over as tips or as a
15 substitute for tips to the employees who participate directly
16 in preparing, serving, hosting or cleaning up the food or
17 beverage function with respect to which the service charge is
18 imposed.

19 (16) Petroleum products sold to a purchaser if the
20 seller is prohibited by federal law from charging tax to the
21 purchaser.

22 (17) Tangible personal property sold to a common carrier
23 by rail or motor that receives the physical possession of the
24 property in Illinois and that transports the property, or
25 shares with another common carrier in the transportation of
26 the property, out of Illinois on a standard uniform bill of
27 lading showing the seller of the property as the shipper or
28 consignor of the property to a destination outside Illinois,
29 for use outside Illinois.

30 (18) Legal tender, currency, medallions, or gold or
31 silver coinage issued by the State of Illinois, the
32 government of the United States of America, or the government
33 of any foreign country, and bullion.

34 (19) Oil field exploration, drilling, and production

1 equipment, including (i) rigs and parts of rigs, rotary rigs,
2 cable tool rigs, and workover rigs, (ii) pipe and tubular
3 goods, including casing and drill strings, (iii) pumps and
4 pump-jack units, (iv) storage tanks and flow lines, (v) any
5 individual replacement part for oil field exploration,
6 drilling, and production equipment, and (vi) machinery and
7 equipment purchased for lease; but excluding motor vehicles
8 required to be registered under the Illinois Vehicle Code.

9 (20) Photoprocessing machinery and equipment, including
10 repair and replacement parts, both new and used, including
11 that manufactured on special order, certified by the
12 purchaser to be used primarily for photoprocessing, and
13 including photoprocessing machinery and equipment purchased
14 for lease.

15 (21) Coal exploration, mining, offhighway hauling,
16 processing, maintenance, and reclamation equipment, including
17 replacement parts and equipment, and including equipment
18 purchased for lease, but excluding motor vehicles required to
19 be registered under the Illinois Vehicle Code.

20 (22) Fuel and petroleum products sold to or used by an
21 air carrier, certified by the carrier to be used for
22 consumption, shipment, or storage in the conduct of its
23 business as an air common carrier, for a flight destined for
24 or returning from a location or locations outside the United
25 States without regard to previous or subsequent domestic
26 stopovers.

27 (23) A transaction in which the purchase order is
28 received by a florist who is located outside Illinois, but
29 who has a florist located in Illinois deliver the property to
30 the purchaser or the purchaser's donee in Illinois.

31 (24) Fuel consumed or used in the operation of ships,
32 barges, or vessels that are used primarily in or for the
33 transportation of property or the conveyance of persons for
34 hire on rivers bordering on this State if the fuel is

1 delivered by the seller to the purchaser's barge, ship, or
2 vessel while it is afloat upon that bordering river.

3 (25) A motor vehicle sold in this State to a nonresident
4 even though the motor vehicle is delivered to the nonresident
5 in this State, if the motor vehicle is not to be titled in
6 this State, and if a driveaway decal permit is issued to the
7 motor vehicle as provided in Section 3-603 of the Illinois
8 Vehicle Code or if the nonresident purchaser has vehicle
9 registration plates to transfer to the motor vehicle upon
10 returning to his or her home state. The issuance of the
11 driveaway decal permit or having the out-of-state
12 registration plates to be transferred is prima facie evidence
13 that the motor vehicle will not be titled in this State.

14 (26) Semen used for artificial insemination of livestock
15 for direct agricultural production.

16 (27) Horses, or interests in horses, registered with and
17 meeting the requirements of any of the Arabian Horse Club
18 Registry of America, Appaloosa Horse Club, American Quarter
19 Horse Association, United States Trotting Association, or
20 Jockey Club, as appropriate, used for purposes of breeding or
21 racing for prizes.

22 (28) Computers and communications equipment utilized for
23 any hospital purpose and equipment used in the diagnosis,
24 analysis, or treatment of hospital patients sold to a lessor
25 who leases the equipment, under a lease of one year or longer
26 executed or in effect at the time of the purchase, to a
27 hospital that has been issued an active tax exemption
28 identification number by the Department under Section 1g of
29 this Act.

30 (29) Personal property sold to a lessor who leases the
31 property, under a lease of one year or longer executed or in
32 effect at the time of the purchase, to a governmental body
33 that has been issued an active tax exemption identification
34 number by the Department under Section 1g of this Act.

1 (30) Beginning with taxable years ending on or after
2 December 31, 1995 and ending with taxable years ending on or
3 before December 31, 2004, personal property that is donated
4 for disaster relief to be used in a State or federally
5 declared disaster area in Illinois or bordering Illinois by a
6 manufacturer or retailer that is registered in this State to
7 a corporation, society, association, foundation, or
8 institution that has been issued a sales tax exemption
9 identification number by the Department that assists victims
10 of the disaster who reside within the declared disaster area.

11 (31) Beginning with taxable years ending on or after
12 December 31, 1995 and ending with taxable years ending on or
13 before December 31, 2004, personal property that is used in
14 the performance of infrastructure repairs in this State,
15 including but not limited to municipal roads and streets,
16 access roads, bridges, sidewalks, waste disposal systems,
17 water and sewer line extensions, water distribution and
18 purification facilities, storm water drainage and retention
19 facilities, and sewage treatment facilities, resulting from a
20 State or federally declared disaster in Illinois or bordering
21 Illinois when such repairs are initiated on facilities
22 located in the declared disaster area within 6 months after
23 the disaster.

24 (32) Beginning July 1, 1999, game or game birds sold at
25 a "game breeding and hunting preserve area" or an "exotic
26 game hunting area" as those terms are used in the Wildlife
27 Code or at a hunting enclosure approved through rules adopted
28 by the Department of Natural Resources. This paragraph is
29 exempt from the provisions of Section 2-70.

30 (33) ~~(32)~~ A motor vehicle, as that term is defined in
31 Section 1-146 of the Illinois Vehicle Code, that is donated
32 to a corporation, limited liability company, society,
33 association, foundation, or institution that is determined by
34 the Department to be organized and operated exclusively for

1 educational purposes. For purposes of this exemption, "a
2 corporation, limited liability company, society, association,
3 foundation, or institution organized and operated exclusively
4 for educational purposes" means all tax-supported public
5 schools, private schools that offer systematic instruction in
6 useful branches of learning by methods common to public
7 schools and that compare favorably in their scope and
8 intensity with the course of study presented in tax-supported
9 schools, and vocational or technical schools or institutes
10 organized and operated exclusively to provide a course of
11 study of not less than 6 weeks duration and designed to
12 prepare individuals to follow a trade or to pursue a manual,
13 technical, mechanical, industrial, business, or commercial
14 occupation.

15 (34) ~~(33)~~ Beginning January 1, 2000, personal property,
16 including food, purchased through fundraising events for the
17 benefit of a public or private elementary or secondary
18 school, a group of those schools, or one or more school
19 districts if the events are sponsored by an entity recognized
20 by the school district that consists primarily of volunteers
21 and includes parents and teachers of the school children.
22 This paragraph does not apply to fundraising events (i) for
23 the benefit of private home instruction or (ii) for which the
24 fundraising entity purchases the personal property sold at
25 the events from another individual or entity that sold the
26 property for the purpose of resale by the fundraising entity
27 and that profits from the sale to the fundraising entity.
28 This paragraph is exempt from the provisions of Section 2-70.

29 (35) ~~(32)~~ Beginning January 1, 2000, new or used
30 automatic vending machines that prepare and serve hot food
31 and beverages, including coffee, soup, and other items, and
32 replacement parts for these machines. This paragraph is
33 exempt from the provisions of Section 2-70.

34 (36) Beginning in 2001, propane and home heating oil

1 sold to residential customers on or after December 1 and
2 continuing through March 31 of the next year. This paragraph
3 is exempt from the provisions of Section 2-70.

4 (37) Beginning in 2002, for bills issued on or after
5 January and through April 30 each year, natural gas
6 distributed, supplied, furnished, or sold to residential
7 customers. This paragraph is exempt from the provisions of
8 Section 2-70.

9 (Source: P.A. 90-14, eff. 7-1-97; 90-519, eff. 6-1-98;
10 90-552, eff. 12-12-97; 90-605, eff. 6-30-98; 91-51, eff.
11 6-30-99; 91-200, eff. 7-20-99; 91-439, eff. 8-6-99; 91-533,
12 eff. 8-13-99; 91-637, eff. 8-20-99; 91-644, eff. 8-20-99;
13 revised 9-28-99.)

14 Section 35. The Gas Revenue Tax Act is amended by adding
15 Section 2a.4 as follows:

16 (35 ILCS 615/2a.4 new)

17 Sec. 2a.4 Winter tax exemption for residential
18 customers. No tax is imposed under this Act on gas
19 distributed, supplied, furnished, or sold to residential
20 customers, for bills issued on or after January 1 and through
21 April 30 each year. This Section is exempt from the
22 provisions of Section 2a.3.

23 Section 40. The Counties Code is amended by changing
24 Sections 5-1006, 5-1006.5 and 5-1007 as follows:

25 (55 ILCS 5/5-1006) (from Ch. 34, par. 5-1006)

26 Sec. 5-1006. Home Rule County Retailers' Occupation Tax
27 Law. Any county that is a home rule unit may impose a tax
28 upon all persons engaged in the business of selling tangible
29 personal property, other than an item of tangible personal
30 property titled or registered with an agency of this State's

1 government, at retail in the county on the gross receipts
2 from such sales made in the course of their business. If
3 imposed, this tax shall only be imposed in 1/4% increments.
4 On and after September 1, 1991, this additional tax may not
5 be imposed on the sales of food for human consumption which
6 is to be consumed off the premises where it is sold (other
7 than alcoholic beverages, soft drinks and food which has been
8 prepared for immediate consumption) and prescription and
9 nonprescription medicines, drugs, medical appliances and
10 insulin, urine testing materials, syringes and needles used
11 by diabetics. The tax imposed by a home rule county pursuant
12 to this Section and all civil penalties that may be assessed
13 as an incident thereof shall be collected and enforced by the
14 State Department of Revenue. The certificate of registration
15 that is issued by the Department to a retailer under the
16 Retailers' Occupation Tax Act shall permit the retailer to
17 engage in a business that is taxable under any ordinance or
18 resolution enacted pursuant to this Section without
19 registering separately with the Department under such
20 ordinance or resolution or under this Section. The
21 Department shall have full power to administer and enforce
22 this Section; to collect all taxes and penalties due
23 hereunder; to dispose of taxes and penalties so collected in
24 the manner hereinafter provided; and to determine all rights
25 to credit memoranda arising on account of the erroneous
26 payment of tax or penalty hereunder. In the administration
27 of, and compliance with, this Section, the Department and
28 persons who are subject to this Section shall have the same
29 rights, remedies, privileges, immunities, powers and duties,
30 and be subject to the same conditions, restrictions,
31 limitations, penalties and definitions of terms, and employ
32 the same modes of procedure, as are prescribed in Sections 1,
33 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65 (in
34 respect to all provisions therein other than the State rate

1 of tax), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k,
2 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12 and 13 of the
3 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
4 Penalty and Interest Act, as fully as if those provisions
5 were set forth herein.

6 No tax may be imposed by a home rule county pursuant to
7 this Section unless the county also imposes a tax at the same
8 rate pursuant to Section 5-1007.

9 Beginning in 2001, propane and home heating oil sold to
10 residential customers on or after December 1 and through
11 March 31 of each year are exempt from the tax imposed by this
12 Section or under the authority of any home rule power.

13 Beginning in 2002, for bills issued on or after January 1
14 and through April 30 each year, natural gas distributed,
15 supplied, furnished, or sold to residential customers is
16 exempt from the tax imposed by this Section or under the
17 authority of any home rule power.

18 This amendatory Act of the 92nd General Assembly is a
19 denial and limitation of home rule powers to tax under
20 subsection (g) of Section 6 of Article VII of the Illinois
21 Constitution.

22 Persons subject to any tax imposed pursuant to the
23 authority granted in this Section may reimburse themselves
24 for their seller's tax liability hereunder by separately
25 stating such tax as an additional charge, which charge may be
26 stated in combination, in a single amount, with State tax
27 which sellers are required to collect under the Use Tax Act,
28 pursuant to such bracket schedules as the Department may
29 prescribe.

30 Whenever the Department determines that a refund should
31 be made under this Section to a claimant instead of issuing a
32 credit memorandum, the Department shall notify the State
33 Comptroller, who shall cause the order to be drawn for the
34 amount specified and to the person named in the notification

1 from the Department. The refund shall be paid by the State
2 Treasurer out of the home rule county retailers' occupation
3 tax fund.

4 The Department shall forthwith pay over to the State
5 Treasurer, ex officio, as trustee, all taxes and penalties
6 collected hereunder. On or before the 25th day of each
7 calendar month, the Department shall prepare and certify to
8 the Comptroller the disbursement of stated sums of money to
9 named counties, the counties to be those from which retailers
10 have paid taxes or penalties hereunder to the Department
11 during the second preceding calendar month. The amount to be
12 paid to each county shall be the amount (not including credit
13 memoranda) collected hereunder during the second preceding
14 calendar month by the Department plus an amount the
15 Department determines is necessary to offset any amounts that
16 were erroneously paid to a different taxing body, and not
17 including an amount equal to the amount of refunds made
18 during the second preceding calendar month by the Department
19 on behalf of such county, and not including any amount which
20 the Department determines is necessary to offset any amounts
21 which were payable to a different taxing body but were
22 erroneously paid to the county. Within 10 days after receipt,
23 by the Comptroller, of the disbursement certification to the
24 counties provided for in this Section to be given to the
25 Comptroller by the Department, the Comptroller shall cause
26 the orders to be drawn for the respective amounts in
27 accordance with the directions contained in the
28 certification.

29 In addition to the disbursement required by the preceding
30 paragraph, an allocation shall be made in March of each year
31 to each county that received more than \$500,000 in
32 disbursements under the preceding paragraph in the preceding
33 calendar year. The allocation shall be in an amount equal to
34 the average monthly distribution made to each such county

1 under the preceding paragraph during the preceding calendar
2 year (excluding the 2 months of highest receipts). The
3 distribution made in March of each year subsequent to the
4 year in which an allocation was made pursuant to this
5 paragraph and the preceding paragraph shall be reduced by the
6 amount allocated and disbursed under this paragraph in the
7 preceding calendar year. The Department shall prepare and
8 certify to the Comptroller for disbursement the allocations
9 made in accordance with this paragraph.

10 For the purpose of determining the local governmental
11 unit whose tax is applicable, a retail sale by a producer of
12 coal or other mineral mined in Illinois is a sale at retail
13 at the place where the coal or other mineral mined in
14 Illinois is extracted from the earth. This paragraph does
15 not apply to coal or other mineral when it is delivered or
16 shipped by the seller to the purchaser at a point outside
17 Illinois so that the sale is exempt under the United States
18 Constitution as a sale in interstate or foreign commerce.

19 Nothing in this Section shall be construed to authorize a
20 county to impose a tax upon the privilege of engaging in any
21 business which under the Constitution of the United States
22 may not be made the subject of taxation by this State.

23 An ordinance or resolution imposing or discontinuing a
24 tax hereunder or effecting a change in the rate thereof shall
25 be adopted and a certified copy thereof filed with the
26 Department on or before the first day of June, whereupon the
27 Department shall proceed to administer and enforce this
28 Section as of the first day of September next following such
29 adoption and filing. Beginning January 1, 1992, an ordinance
30 or resolution imposing or discontinuing the tax hereunder or
31 effecting a change in the rate thereof shall be adopted and a
32 certified copy thereof filed with the Department on or before
33 the first day of July, whereupon the Department shall proceed
34 to administer and enforce this Section as of the first day of

1 October next following such adoption and filing. Beginning
2 January 1, 1993, an ordinance or resolution imposing or
3 discontinuing the tax hereunder or effecting a change in the
4 rate thereof shall be adopted and a certified copy thereof
5 filed with the Department on or before the first day of
6 October, whereupon the Department shall proceed to administer
7 and enforce this Section as of the first day of January next
8 following such adoption and filing. Beginning April 1, 1998,
9 an ordinance or resolution imposing or discontinuing the tax
10 hereunder or effecting a change in the rate thereof shall
11 either (i) be adopted and a certified copy thereof filed with
12 the Department on or before the first day of April, whereupon
13 the Department shall proceed to administer and enforce this
14 Section as of the first day of July next following the
15 adoption and filing; or (ii) be adopted and a certified copy
16 thereof filed with the Department on or before the first day
17 of October, whereupon the Department shall proceed to
18 administer and enforce this Section as of the first day of
19 January next following the adoption and filing.

20 When certifying the amount of a monthly disbursement to a
21 county under this Section, the Department shall increase or
22 decrease such amount by an amount necessary to offset any
23 misallocation of previous disbursements. The offset amount
24 shall be the amount erroneously disbursed within the previous
25 6 months from the time a misallocation is discovered.

26 This Section shall be known and may be cited as the Home
27 Rule County Retailers' Occupation Tax Law.

28 (Source: P.A. 90-689, eff. 7-31-98; 91-51, eff. 6-30-99.)

29 (55 ILCS 5/5-1006.5)

30 Sec. 5-1006.5. Special County Retailers' Occupation Tax
31 For Public Safety.

32 (a) The county board of any county may impose a tax upon
33 all persons engaged in the business of selling tangible

1 personal property, other than personal property titled or
2 registered with an agency of this State's government, at
3 retail in the county on the gross receipts from the sales
4 made in the course of business to provide revenue to be used
5 exclusively for public safety purposes in that county, if a
6 proposition for the tax has been submitted to the electors of
7 that county and approved by a majority of those voting on the
8 question. If imposed, this tax shall be imposed only in
9 one-quarter percent increments. By resolution, the county
10 board may order the proposition to be submitted at any
11 election. The county clerk shall certify the question to the
12 proper election authority, who shall submit the proposition
13 at an election in accordance with the general election law.

14 The proposition shall be in substantially the following
15 form:

16 "Shall (name of county) be authorized to impose a
17 public safety tax at the rate of upon all persons
18 engaged in the business of selling tangible personal
19 property at retail in the county on gross receipts from
20 the sales made in the course of their business to be used
21 for crime prevention, detention, and other public safety
22 purposes?"

23 Votes shall be recorded as Yes or No. If a majority of the
24 electors voting on the proposition vote in favor of it, the
25 county may impose the tax.

26 This additional tax may not be imposed on the sales of
27 food for human consumption that is to be consumed off the
28 premises where it is sold (other than alcoholic beverages,
29 soft drinks, and food which has been prepared for immediate
30 consumption) and prescription and non-prescription medicines,
31 drugs, medical appliances and insulin, urine testing
32 materials, syringes, and needles used by diabetics. The tax
33 imposed by a county under this Section and all civil
34 penalties that may be assessed as an incident of the tax

1 shall be collected and enforced by the Illinois Department of
2 Revenue. The certificate of registration that is issued by
3 the Department to a retailer under the Retailers' Occupation
4 Tax Act shall permit the retailer to engage in a business
5 that is taxable without registering separately with the
6 Department under an ordinance or resolution under this
7 Section. The Department has full power to administer and
8 enforce this Section, to collect all taxes and penalties due
9 under this Section, to dispose of taxes and penalties so
10 collected in the manner provided in this Section, and to
11 determine all rights to credit memoranda arising on account
12 of the erroneous payment of a tax or penalty under this
13 Section. In the administration of and compliance with this
14 Section, the Department and persons who are subject to this
15 Section shall (i) have the same rights, remedies, privileges,
16 immunities, powers, and duties, (ii) be subject to the same
17 conditions, restrictions, limitations, penalties, and
18 definitions of terms, and (iii) employ the same modes of
19 procedure as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e,
20 1f, 1i, 1j, 1k, 1m, 1n, 2, 2-5, 2-5.5, 2-10 (in respect to
21 all provisions contained in those Sections other than the
22 State rate of tax), 2-15 through 2-70, 2a, 2b, 2c, 3 (except
23 provisions relating to transaction returns and quarter
24 monthly payments), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i,
25 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 11a, 12, and 13
26 of the Retailers' Occupation Tax Act and Section 3-7 of the
27 Uniform Penalty and Interest Act as if those provisions were
28 set forth in this Section.

29 Beginning in 2001, propane and home heating oil sold to
30 residential customers on or after December 1 and through
31 March 31 of each year are exempt from the tax imposed by this
32 subsection or under the authority of any home rule power.

33 Beginning in 2001, for bills issued on or after January 1
34 and through April 30 each year, natural gas distributed,

1 supplied, furnished, or sold to residential customers is
2 exempt from the tax imposed by this subsection or under the
3 authority of any home rule power.

4 This amendatory Act of the 92nd General Assembly is a
5 denial and limitation of home rule powers to tax under
6 subsection (g) of Section 6 of Article VII of the Illinois
7 Constitution.

8 Persons subject to any tax imposed under the authority
9 granted in this Section may reimburse themselves for their
10 sellers' tax liability by separately stating the tax as an
11 additional charge, which charge may be stated in combination,
12 in a single amount, with State tax which sellers are required
13 to collect under the Use Tax Act, pursuant to such bracketed
14 schedules as the Department may prescribe.

15 Whenever the Department determines that a refund should
16 be made under this Section to a claimant instead of issuing a
17 credit memorandum, the Department shall notify the State
18 Comptroller, who shall cause the order to be drawn for the
19 amount specified and to the person named in the notification
20 from the Department. The refund shall be paid by the State
21 Treasurer out of the County Public Safety Retailers'
22 Occupation Tax Fund.

23 (b) If a tax has been imposed under subsection (a), a
24 service occupation tax shall also be imposed at the same rate
25 upon all persons engaged, in the county, in the business of
26 making sales of service, who, as an incident to making those
27 sales of service, transfer tangible personal property within
28 the county as an incident to a sale of service. This tax may
29 not be imposed on sales of food for human consumption that is
30 to be consumed off the premises where it is sold (other than
31 alcoholic beverages, soft drinks, and food prepared for
32 immediate consumption) and prescription and non-prescription
33 medicines, drugs, medical appliances and insulin, urine
34 testing materials, syringes, and needles used by diabetics.

1 The tax imposed under this subsection and all civil penalties
2 that may be assessed as an incident thereof shall be
3 collected and enforced by the Department of Revenue. The
4 Department has full power to administer and enforce this
5 subsection; to collect all taxes and penalties due hereunder;
6 to dispose of taxes and penalties so collected in the manner
7 hereinafter provided; and to determine all rights to credit
8 memoranda arising on account of the erroneous payment of tax
9 or penalty hereunder. In the administration of, and
10 compliance with this subsection, the Department and persons
11 who are subject to this paragraph shall (i) have the same
12 rights, remedies, privileges, immunities, powers, and duties,
13 (ii) be subject to the same conditions, restrictions,
14 limitations, penalties, exclusions, exemptions, and
15 definitions of terms, and (iii) employ the same modes of
16 procedure as are prescribed in Sections 2 (except that the
17 reference to State in the definition of supplier maintaining
18 a place of business in this State shall mean the county), 2a,
19 2b, 2c, 3 through 3-50 (in respect to all provisions therein
20 other than the State rate of tax), 4 (except that the
21 reference to the State shall be to the county), 5, 7, 8
22 (except that the jurisdiction to which the tax shall be a
23 debt to the extent indicated in that Section 8 shall be the
24 county), 9 (except as to the disposition of taxes and
25 penalties collected), 10, 11, 12 (except the reference
26 therein to Section 2b of the Retailers' Occupation Tax Act),
27 13 (except that any reference to the State shall mean the
28 county), Section 15, 16, 17, 18, 19 and 20 of the Service
29 Occupation Tax Act and Section 3-7 of the Uniform Penalty and
30 Interest Act, as fully as if those provisions were set forth
31 herein.

32 Beginning in 2001, propane and home heating oil sold to
33 residential customers on or after December 1 and through
34 March 31 of each year are exempt from the tax imposed by this

1 subsection or under the authority of any home rule power.

2 Beginning in 2002, for bills issued on or after January 1
3 and through April 30 each year, natural gas distributed,
4 supplied, furnished, or sold to residential customers is
5 exempt from the tax imposed by this subsection or under the
6 authority of any home rule power.

7 This amendatory Act of the 92nd General Assembly is a
8 denial and limitation of home rule powers to tax under
9 subsection (g) of Section 6 of Article VII of the Illinois
10 Constitution.

11 Persons subject to any tax imposed under the authority
12 granted in this subsection may reimburse themselves for their
13 serviceman's tax liability by separately stating the tax as
14 an additional charge, which charge may be stated in
15 combination, in a single amount, with State tax that
16 servicemen are authorized to collect under the Service Use
17 Tax Act, in accordance with such bracket schedules as the
18 Department may prescribe.

19 Whenever the Department determines that a refund should
20 be made under this subsection to a claimant instead of
21 issuing a credit memorandum, the Department shall notify the
22 State Comptroller, who shall cause the warrant to be drawn
23 for the amount specified, and to the person named, in the
24 notification from the Department. The refund shall be paid
25 by the State Treasurer out of the County Public Safety
26 Retailers' Occupation Fund.

27 Nothing in this subsection shall be construed to
28 authorize the county to impose a tax upon the privilege of
29 engaging in any business which under the Constitution of the
30 United States may not be made the subject of taxation by the
31 State.

32 (c) The Department shall immediately pay over to the
33 State Treasurer, ex officio, as trustee, all taxes and
34 penalties collected under this Section to be deposited into

1 the County Public Safety Retailers' Occupation Tax Fund,
2 which shall be an unappropriated trust fund held outside of
3 the State treasury. On or before the 25th day of each
4 calendar month, the Department shall prepare and certify to
5 the Comptroller the disbursement of stated sums of money to
6 the counties from which retailers have paid taxes or
7 penalties to the Department during the second preceding
8 calendar month. The amount to be paid to each county shall
9 be the amount (not including credit memoranda) collected
10 under this Section during the second preceding calendar month
11 by the Department plus an amount the Department determines is
12 necessary to offset any amounts that were erroneously paid to
13 a different taxing body, and not including (i) an amount
14 equal to the amount of refunds made during the second
15 preceding calendar month by the Department on behalf of the
16 county and (ii) any amount that the Department determines is
17 necessary to offset any amounts that were payable to a
18 different taxing body but were erroneously paid to the
19 county. Within 10 days after receipt by the Comptroller of
20 the disbursement certification to the counties provided for
21 in this Section to be given to the Comptroller by the
22 Department, the Comptroller shall cause the orders to be
23 drawn for the respective amounts in accordance with
24 directions contained in the certification.

25 In addition to the disbursement required by the preceding
26 paragraph, an allocation shall be made in March of each year
27 to each county that received more than \$500,000 in
28 disbursements under the preceding paragraph in the preceding
29 calendar year. The allocation shall be in an amount equal to
30 the average monthly distribution made to each such county
31 under the preceding paragraph during the preceding calendar
32 year (excluding the 2 months of highest receipts). The
33 distribution made in March of each year subsequent to the
34 year in which an allocation was made pursuant to this

1 paragraph and the preceding paragraph shall be reduced by the
2 amount allocated and disbursed under this paragraph in the
3 preceding calendar year. The Department shall prepare and
4 certify to the Comptroller for disbursement the allocations
5 made in accordance with this paragraph.

6 (d) For the purpose of determining the local
7 governmental unit whose tax is applicable, a retail sale by a
8 producer of coal or another mineral mined in Illinois is a
9 sale at retail at the place where the coal or other mineral
10 mined in Illinois is extracted from the earth. This
11 paragraph does not apply to coal or another mineral when it
12 is delivered or shipped by the seller to the purchaser at a
13 point outside Illinois so that the sale is exempt under the
14 United States Constitution as a sale in interstate or foreign
15 commerce.

16 (e) Nothing in this Section shall be construed to
17 authorize a county to impose a tax upon the privilege of
18 engaging in any business that under the Constitution of the
19 United States may not be made the subject of taxation by this
20 State.

21 (e-5) If a county imposes a tax under this Section, the
22 county board may, by ordinance, discontinue or lower the rate
23 of the tax. If the county board lowers the tax rate or
24 discontinues the tax, a referendum must be held in accordance
25 with subsection (a) of this Section in order to increase the
26 rate of the tax or to reimpose the discontinued tax.

27 (f) Beginning April 1, 1998, the results of any election
28 authorizing a proposition to impose a tax under this Section
29 or effecting a change in the rate of tax, or any ordinance
30 lowering the rate or discontinuing the tax, shall be
31 certified by the county clerk and filed with the Illinois
32 Department of Revenue either (i) on or before the first day
33 of April, whereupon the Department shall proceed to
34 administer and enforce the tax as of the first day of July

1 next following the filing; or (ii) on or before the first day
2 of October, whereupon the Department shall proceed to
3 administer and enforce the tax as of the first day of January
4 next following the filing.

5 (g) When certifying the amount of a monthly disbursement
6 to a county under this Section, the Department shall increase
7 or decrease the amounts by an amount necessary to offset any
8 miscalculation of previous disbursements. The offset amount
9 shall be the amount erroneously disbursed within the previous
10 6 months from the time a miscalculation is discovered.

11 (h) This Section may be cited as the "Special County
12 Occupation Tax For Public Safety Law".

13 (i) For purposes of this Section, "public safety"
14 includes but is not limited to fire fighting, police,
15 medical, ambulance, or other emergency services.

16 (Source: P.A. 89-107, eff. 1-1-96; 89-718, eff. 3-7-97;
17 90-190, eff. 7-24-97; 90-267, eff. 7-30-97; 90-552, eff.
18 12-12-97; 90-562, eff. 12-16-97; 90-655, eff. 7-30-98;
19 90-689, eff. 7-31-98.)

20 (55 ILCS 5/5-1007) (from Ch. 34, par. 5-1007)
21 Sec. 5-1007. Home Rule County Service Occupation Tax
22 Law. The corporate authorities of a home rule county may
23 impose a tax upon all persons engaged, in such county, in the
24 business of making sales of service at the same rate of tax
25 imposed pursuant to Section 5-1006 of the selling price of
26 all tangible personal property transferred by such servicemen
27 either in the form of tangible personal property or in the
28 form of real estate as an incident to a sale of service. If
29 imposed, such tax shall only be imposed in 1/4% increments.
30 On and after September 1, 1991, this additional tax may not
31 be imposed on the sales of food for human consumption which
32 is to be consumed off the premises where it is sold (other
33 than alcoholic beverages, soft drinks and food which has been

1 prepared for immediate consumption) and prescription and
2 nonprescription medicines, drugs, medical appliances and
3 insulin, urine testing materials, syringes and needles used
4 by diabetics. The tax imposed by a home rule county pursuant
5 to this Section and all civil penalties that may be assessed
6 as an incident thereof shall be collected and enforced by the
7 State Department of Revenue. The certificate of registration
8 which is issued by the Department to a retailer under the
9 Retailers' Occupation Tax Act or under the Service Occupation
10 Tax Act shall permit such registrant to engage in a business
11 which is taxable under any ordinance or resolution enacted
12 pursuant to this Section without registering separately with
13 the Department under such ordinance or resolution or under
14 this Section. The Department shall have full power to
15 administer and enforce this Section; to collect all taxes and
16 penalties due hereunder; to dispose of taxes and penalties so
17 collected in the manner hereinafter provided; and to
18 determine all rights to credit memoranda arising on account
19 of the erroneous payment of tax or penalty hereunder. In the
20 administration of, and compliance with, this Section the
21 Department and persons who are subject to this Section shall
22 have the same rights, remedies, privileges, immunities,
23 powers and duties, and be subject to the same conditions,
24 restrictions, limitations, penalties and definitions of
25 terms, and employ the same modes of procedure, as are
26 prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in
27 respect to all provisions therein other than the State rate
28 of tax), 4 (except that the reference to the State shall be
29 to the taxing county), 5, 7, 8 (except that the jurisdiction
30 to which the tax shall be a debt to the extent indicated in
31 that Section 8 shall be the taxing county), 9 (except as to
32 the disposition of taxes and penalties collected, and except
33 that the returned merchandise credit for this county tax may
34 not be taken against any State tax), 10, 11, 12 (except the

1 reference therein to Section 2b of the Retailers' Occupation
2 Tax Act), 13 (except that any reference to the State shall
3 mean the taxing county), the first paragraph of Section 15,
4 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and
5 Section 3-7 of the Uniform Penalty and Interest Act, as fully
6 as if those provisions were set forth herein.

7 No tax may be imposed by a home rule county pursuant to
8 this Section unless such county also imposes a tax at the
9 same rate pursuant to Section 5-1006.

10 Beginning in 2001, propane and home heating oil sold to
11 residential customers on or after December 1 and through
12 March 31 of each year are exempt from the tax imposed by this
13 Section or under the authority of any home rule power.

14 Beginning in 2002, for bills issued on or after January 1
15 and through April 30 each year, natural gas distributed,
16 supplied, furnished, or sold to residential customers is
17 exempt from the tax imposed by this Section or under the
18 authority of any home rule power.

19 This amendatory Act of the 92nd General Assembly is a
20 denial and limitation of home rule powers to tax under
21 subsection (g) of Section 6 of Article VII of the Illinois
22 Constitution.

23 Persons subject to any tax imposed pursuant to the
24 authority granted in this Section may reimburse themselves
25 for their serviceman's tax liability hereunder by separately
26 stating such tax as an additional charge, which charge may be
27 stated in combination, in a single amount, with State tax
28 which servicemen are authorized to collect under the Service
29 Use Tax Act, pursuant to such bracket schedules as the
30 Department may prescribe.

31 Whenever the Department determines that a refund should
32 be made under this Section to a claimant instead of issuing
33 credit memorandum, the Department shall notify the State
34 Comptroller, who shall cause the order to be drawn for the

1 amount specified, and to the person named, in such
2 notification from the Department. Such refund shall be paid
3 by the State Treasurer out of the home rule county retailers'
4 occupation tax fund.

5 The Department shall forthwith pay over to the State
6 Treasurer, ex-officio, as trustee, all taxes and penalties
7 collected hereunder. On or before the 25th day of each
8 calendar month, the Department shall prepare and certify to
9 the Comptroller the disbursement of stated sums of money to
10 named counties, the counties to be those from which suppliers
11 and servicemen have paid taxes or penalties hereunder to the
12 Department during the second preceding calendar month. The
13 amount to be paid to each county shall be the amount (not
14 including credit memoranda) collected hereunder during the
15 second preceding calendar month by the Department, and not
16 including an amount equal to the amount of refunds made
17 during the second preceding calendar month by the Department
18 on behalf of such county. Within 10 days after receipt, by
19 the Comptroller, of the disbursement certification to the
20 counties provided for in this Section to be given to the
21 Comptroller by the Department, the Comptroller shall cause
22 the orders to be drawn for the respective amounts in
23 accordance with the directions contained in such
24 certification.

25 In addition to the disbursement required by the preceding
26 paragraph, an allocation shall be made in each year to each
27 county which received more than \$500,000 in disbursements
28 under the preceding paragraph in the preceding calendar year.
29 The allocation shall be in an amount equal to the average
30 monthly distribution made to each such county under the
31 preceding paragraph during the preceding calendar year
32 (excluding the 2 months of highest receipts). The
33 distribution made in March of each year subsequent to the
34 year in which an allocation was made pursuant to this

1 paragraph and the preceding paragraph shall be reduced by the
2 amount allocated and disbursed under this paragraph in the
3 preceding calendar year. The Department shall prepare and
4 certify to the Comptroller for disbursement the allocations
5 made in accordance with this paragraph.

6 Nothing in this Section shall be construed to authorize a
7 county to impose a tax upon the privilege of engaging in any
8 business which under the Constitution of the United States
9 may not be made the subject of taxation by this State.

10 An ordinance or resolution imposing or discontinuing a
11 tax hereunder or effecting a change in the rate thereof shall
12 be adopted and a certified copy thereof filed with the
13 Department on or before the first day of June, whereupon the
14 Department shall proceed to administer and enforce this
15 Section as of the first day of September next following such
16 adoption and filing. Beginning January 1, 1992, an ordinance
17 or resolution imposing or discontinuing the tax hereunder or
18 effecting a change in the rate thereof shall be adopted and a
19 certified copy thereof filed with the Department on or before
20 the first day of July, whereupon the Department shall proceed
21 to administer and enforce this Section as of the first day of
22 October next following such adoption and filing. Beginning
23 January 1, 1993, an ordinance or resolution imposing or
24 discontinuing the tax hereunder or effecting a change in the
25 rate thereof shall be adopted and a certified copy thereof
26 filed with the Department on or before the first day of
27 October, whereupon the Department shall proceed to administer
28 and enforce this Section as of the first day of January next
29 following such adoption and filing. Beginning April 1, 1998,
30 an ordinance or resolution imposing or discontinuing the tax
31 hereunder or effecting a change in the rate thereof shall
32 either (i) be adopted and a certified copy thereof filed with
33 the Department on or before the first day of April, whereupon
34 the Department shall proceed to administer and enforce this

1 Section as of the first day of July next following the
2 adoption and filing; or (ii) be adopted and a certified copy
3 thereof filed with the Department on or before the first day
4 of October, whereupon the Department shall proceed to
5 administer and enforce this Section as of the first day of
6 January next following the adoption and filing.

7 This Section shall be known and may be cited as the Home
8 Rule County Service Occupation Tax Law.

9 (Source: P.A. 90-689, eff. 7-31-98; 91-51, eff. 6-30-99.)

10 Section 45. The Illinois Municipal Code is amended by
11 changing Sections 8-11-1, 8-11-1.1, 8-11-1.6, 8-11-1.7,
12 8-11-2, 8-11-5, and 8-11-6 as follows:

13 (65 ILCS 5/8-11-1) (from Ch. 24, par. 8-11-1)

14 Sec. 8-11-1. Home Rule Municipal Retailers' Occupation
15 Tax Act. The corporate authorities of a home rule
16 municipality may impose a tax upon all persons engaged in the
17 business of selling tangible personal property, other than an
18 item of tangible personal property titled or registered with
19 an agency of this State's government, at retail in the
20 municipality on the gross receipts from these sales made in
21 the course of such business. If imposed, the tax shall only
22 be imposed in 1/4% increments. On and after September 1,
23 1991, this additional tax may not be imposed on the sales of
24 food for human consumption that is to be consumed off the
25 premises where it is sold (other than alcoholic beverages,
26 soft drinks and food that has been prepared for immediate
27 consumption) and prescription and nonprescription medicines,
28 drugs, medical appliances and insulin, urine testing
29 materials, syringes and needles used by diabetics. The tax
30 imposed by a home rule municipality under this Section and
31 all civil penalties that may be assessed as an incident of
32 the tax shall be collected and enforced by the State

1 Department of Revenue. The certificate of registration that
2 is issued by the Department to a retailer under the
3 Retailers' Occupation Tax Act shall permit the retailer to
4 engage in a business that is taxable under any ordinance or
5 resolution enacted pursuant to this Section without
6 registering separately with the Department under such
7 ordinance or resolution or under this Section. The
8 Department shall have full power to administer and enforce
9 this Section; to collect all taxes and penalties due
10 hereunder; to dispose of taxes and penalties so collected in
11 the manner hereinafter provided; and to determine all rights
12 to credit memoranda arising on account of the erroneous
13 payment of tax or penalty hereunder. In the administration
14 of, and compliance with, this Section the Department and
15 persons who are subject to this Section shall have the same
16 rights, remedies, privileges, immunities, powers and duties,
17 and be subject to the same conditions, restrictions,
18 limitations, penalties and definitions of terms, and employ
19 the same modes of procedure, as are prescribed in Sections 1,
20 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65 (in
21 respect to all provisions therein other than the State rate
22 of tax), 2c, 3 (except as to the disposition of taxes and
23 penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h,
24 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12 and 13 of
25 the Retailers' Occupation Tax Act and Section 3-7 of the
26 Uniform Penalty and Interest Act, as fully as if those
27 provisions were set forth herein.

28 No tax may be imposed by a home rule municipality under
29 this Section unless the municipality also imposes a tax at
30 the same rate under Section 8-11-5 of this Act.

31 Beginning in 2001, propane and home heating oil sold to
32 residential customers on or after December 1 and through
33 March 31 of each year are exempt from the tax imposed by this
34 Section or under the authority of any home rule power.

1 Beginning in 2002, for bills issued on or after January 1
2 and through April 30 each year, natural gas distributed,
3 supplied, furnished, or sold to residential customers is
4 exempt from the tax imposed by this Section or under the
5 authority of any home rule power.

6 This amendatory Act of the 92nd General Assembly is a
7 denial and limitation of home rule powers to tax under
8 subsection (g) of Section 6 of Article VII of the Illinois
9 Constitution.

10 Persons subject to any tax imposed under the authority
11 granted in this Section may reimburse themselves for their
12 seller's tax liability hereunder by separately stating that
13 tax as an additional charge, which charge may be stated in
14 combination, in a single amount, with State tax which sellers
15 are required to collect under the Use Tax Act, pursuant to
16 such bracket schedules as the Department may prescribe.

17 Whenever the Department determines that a refund should
18 be made under this Section to a claimant instead of issuing a
19 credit memorandum, the Department shall notify the State
20 Comptroller, who shall cause the order to be drawn for the
21 amount specified and to the person named in the notification
22 from the Department. The refund shall be paid by the State
23 Treasurer out of the home rule municipal retailers'
24 occupation tax fund.

25 The Department shall immediately pay over to the State
26 Treasurer, ex officio, as trustee, all taxes and penalties
27 collected hereunder. On or before the 25th day of each
28 calendar month, the Department shall prepare and certify to
29 the Comptroller the disbursement of stated sums of money to
30 named municipalities, the municipalities to be those from
31 which retailers have paid taxes or penalties hereunder to the
32 Department during the second preceding calendar month. The
33 amount to be paid to each municipality shall be the amount
34 (not including credit memoranda) collected hereunder during

1 the second preceding calendar month by the Department plus an
2 amount the Department determines is necessary to offset any
3 amounts that were erroneously paid to a different taxing
4 body, and not including an amount equal to the amount of
5 refunds made during the second preceding calendar month by
6 the Department on behalf of such municipality, and not
7 including any amount that the Department determines is
8 necessary to offset any amounts that were payable to a
9 different taxing body but were erroneously paid to the
10 municipality. Within 10 days after receipt by the Comptroller
11 of the disbursement certification to the municipalities
12 provided for in this Section to be given to the Comptroller
13 by the Department, the Comptroller shall cause the orders to
14 be drawn for the respective amounts in accordance with the
15 directions contained in the certification.

16 In addition to the disbursement required by the preceding
17 paragraph and in order to mitigate delays caused by
18 distribution procedures, an allocation shall, if requested,
19 be made within 10 days after January 14, 1991, and in
20 November of 1991 and each year thereafter, to each
21 municipality that received more than \$500,000 during the
22 preceding fiscal year, (July 1 through June 30) whether
23 collected by the municipality or disbursed by the Department
24 as required by this Section. Within 10 days after January 14,
25 1991, participating municipalities shall notify the
26 Department in writing of their intent to participate. In
27 addition, for the initial distribution, participating
28 municipalities shall certify to the Department the amounts
29 collected by the municipality for each month under its home
30 rule occupation and service occupation tax during the period
31 July 1, 1989 through June 30, 1990. The allocation within 10
32 days after January 14, 1991, shall be in an amount equal to
33 the monthly average of these amounts, excluding the 2 months
34 of highest receipts. The monthly average for the period of

1 July 1, 1990 through June 30, 1991 will be determined as
2 follows: the amounts collected by the municipality under its
3 home rule occupation and service occupation tax during the
4 period of July 1, 1990 through September 30, 1990, plus
5 amounts collected by the Department and paid to such
6 municipality through June 30, 1991, excluding the 2 months of
7 highest receipts. The monthly average for each subsequent
8 period of July 1 through June 30 shall be an amount equal to
9 the monthly distribution made to each such municipality under
10 the preceding paragraph during this period, excluding the 2
11 months of highest receipts. The distribution made in
12 November 1991 and each year thereafter under this paragraph
13 and the preceding paragraph shall be reduced by the amount
14 allocated and disbursed under this paragraph in the preceding
15 period of July 1 through June 30. The Department shall
16 prepare and certify to the Comptroller for disbursement the
17 allocations made in accordance with this paragraph.

18 For the purpose of determining the local governmental
19 unit whose tax is applicable, a retail sale by a producer of
20 coal or other mineral mined in Illinois is a sale at retail
21 at the place where the coal or other mineral mined in
22 Illinois is extracted from the earth. This paragraph does
23 not apply to coal or other mineral when it is delivered or
24 shipped by the seller to the purchaser at a point outside
25 Illinois so that the sale is exempt under the United States
26 Constitution as a sale in interstate or foreign commerce.

27 Nothing in this Section shall be construed to authorize a
28 municipality to impose a tax upon the privilege of engaging
29 in any business which under the Constitution of the United
30 States may not be made the subject of taxation by this State.

31 An ordinance or resolution imposing or discontinuing a
32 tax hereunder or effecting a change in the rate thereof shall
33 be adopted and a certified copy thereof filed with the
34 Department on or before the first day of June, whereupon the

1 Department shall proceed to administer and enforce this
2 Section as of the first day of September next following the
3 adoption and filing. Beginning January 1, 1992, an ordinance
4 or resolution imposing or discontinuing the tax hereunder or
5 effecting a change in the rate thereof shall be adopted and a
6 certified copy thereof filed with the Department on or before
7 the first day of July, whereupon the Department shall proceed
8 to administer and enforce this Section as of the first day of
9 October next following such adoption and filing. Beginning
10 January 1, 1993, an ordinance or resolution imposing or
11 discontinuing the tax hereunder or effecting a change in the
12 rate thereof shall be adopted and a certified copy thereof
13 filed with the Department on or before the first day of
14 October, whereupon the Department shall proceed to administer
15 and enforce this Section as of the first day of January next
16 following the adoption and filing. However, a municipality
17 located in a county with a population in excess of 3,000,000
18 that elected to become a home rule unit at the general
19 primary election in 1994 may adopt an ordinance or resolution
20 imposing the tax under this Section and file a certified copy
21 of the ordinance or resolution with the Department on or
22 before July 1, 1994. The Department shall then proceed to
23 administer and enforce this Section as of October 1, 1994.
24 Beginning April 1, 1998, an ordinance or resolution imposing
25 or discontinuing the tax hereunder or effecting a change in
26 the rate thereof shall either (i) be adopted and a certified
27 copy thereof filed with the Department on or before the first
28 day of April, whereupon the Department shall proceed to
29 administer and enforce this Section as of the first day of
30 July next following the adoption and filing; or (ii) be
31 adopted and a certified copy thereof filed with the
32 Department on or before the first day of October, whereupon
33 the Department shall proceed to administer and enforce this
34 Section as of the first day of January next following the

1 adoption and filing.

2 When certifying the amount of a monthly disbursement to a
3 municipality under this Section, the Department shall
4 increase or decrease the amount by an amount necessary to
5 offset any misallocation of previous disbursements. The
6 offset amount shall be the amount erroneously disbursed
7 within the previous 6 months from the time a misallocation is
8 discovered.

9 Any unobligated balance remaining in the Municipal
10 Retailers' Occupation Tax Fund on December 31, 1989, which
11 fund was abolished by Public Act 85-1135, and all receipts of
12 municipal tax as a result of audits of liability periods
13 prior to January 1, 1990, shall be paid into the Local
14 Government Tax Fund for distribution as provided by this
15 Section prior to the enactment of Public Act 85-1135. All
16 receipts of municipal tax as a result of an assessment not
17 arising from an audit, for liability periods prior to January
18 1, 1990, shall be paid into the Local Government Tax Fund for
19 distribution before July 1, 1990, as provided by this Section
20 prior to the enactment of Public Act 85-1135; and on and
21 after July 1, 1990, all such receipts shall be distributed as
22 provided in Section 6z-18 of the State Finance Act.

23 As used in this Section, "municipal" and "municipality"
24 means a city, village or incorporated town, including an
25 incorporated town that has superseded a civil township.

26 This Section shall be known and may be cited as the Home
27 Rule Municipal Retailers' Occupation Tax Act.

28 (Source: P.A. 90-689, eff. 7-31-98; 91-51, eff. 6-30-99.)

29 (65 ILCS 5/8-11-1.1) (from Ch. 24, par. 8-11-1.1)

30 Sec. 8-11-1.1. Non-home rule municipalities; use and
31 occupation ~~imposition~~-of taxes.

32 (a) The corporate authorities of a non-home rule
33 municipality may, upon approval of the electors of the

1 municipality pursuant to subsection (b) of this Section,
2 impose by ordinance or resolution the 1/2 of 1% tax
3 authorized in Sections 8-11-1.3, 8-11-1.4 and 8-11-1.5 of
4 this Act.

5 (b) The corporate authorities of the municipality may by
6 ordinance or resolution call for the submission to the
7 electors of the municipality the question of whether the
8 municipality shall impose such tax. Such question shall be
9 certified by the municipal clerk to the election authority in
10 accordance with Section 28-5 of the Election Code and shall
11 be in a form in accordance with Section 16-7 of the Election
12 Code.

13 If a majority of the electors in the municipality voting
14 upon the question vote in the affirmative, such tax shall be
15 imposed.

16 An ordinance or resolution imposing the 1/2 of 1% tax
17 hereunder or discontinuing the same shall be adopted and a
18 certified copy thereof, together with a certification that
19 the ordinance or resolution received referendum approval in
20 the case of the imposition of such tax, filed with the
21 Department of Revenue, on or before the first day of June,
22 whereupon the Department shall proceed to administer and
23 enforce the additional tax or to discontinue the tax, as the
24 case may be, as of the first day of September next following
25 such adoption and filing. Beginning January 1, 1992, an
26 ordinance or resolution imposing or discontinuing the tax
27 hereunder shall be adopted and a certified copy thereof filed
28 with the Department on or before the first day of July,
29 whereupon the Department shall proceed to administer and
30 enforce this Section as of the first day of October next
31 following such adoption and filing. Beginning January 1,
32 1993, an ordinance or resolution imposing or discontinuing
33 the tax hereunder shall be adopted and a certified copy
34 thereof filed with the Department on or before the first day

1 of October, whereupon the Department shall proceed to
 2 administer and enforce this Section as of the first day of
 3 January next following such adoption and filing. A non-home
 4 rule municipality may file a certified copy of an ordinance
 5 or resolution, with a certification that the ordinance or
 6 resolution received referendum approval in the case of the
 7 imposition of the tax, with the Department of Revenue, as
 8 required under this Section, only after October 2, 2000.

9 (c) Beginning in 2001, propane and home heating oil sold
 10 to residential customers on or after December 1 and through
 11 March 31 of each year are exempt from the tax imposed by
 12 Sections 8-11-1.3, 8-11-1.4, and 8-11-1.5 of this Code.

13 Beginning in 2002, for bills issued on or after January 1
 14 and through April 30 each year, natural gas distributed,
 15 supplied, furnished, or sold to residential customers is
 16 exempt from the tax imposed by Sections 8-11-1.3, 8-11-1.4,
 17 and 8-11-1.5.

18 (Source: P.A. 91-51, eff. 6-30-99; 91-649, eff. 1-1-00.)

19 (65 ILCS 5/8-11-1.6)

20 Sec. 8-11-1.6. Non-home rule municipal retailers
 21 occupation tax; municipalities between 20,000 and 25,000. The
 22 corporate authorities of a non-home rule municipality with a
 23 population of more than 20,000 but less than 25,000 that has,
 24 prior to January 1, 1987, established a Redevelopment Project
 25 Area that has been certified as a State Sales Tax Boundary
 26 and has issued bonds or otherwise incurred indebtedness to
 27 pay for costs in excess of \$5,000,000, which is secured in
 28 part by a tax increment allocation fund, in accordance with
 29 the provisions of Division 11-74.4 of this Code may, by
 30 passage of an ordinance, impose a tax upon all persons
 31 engaged in the business of selling tangible personal
 32 property, other than on an item of tangible personal property
 33 that is titled and registered by an agency of this State's

1 Government, at retail in the municipality. This tax may not
2 be imposed on the sales of food for human consumption that is
3 to be consumed off the premises where it is sold (other than
4 alcoholic beverages, soft drinks, and food that has been
5 prepared for immediate consumption) and prescription and
6 nonprescription medicines, drugs, medical appliances and
7 insulin, urine testing materials, syringes, and needles used
8 by diabetics. If imposed, the tax shall only be imposed in
9 .25% increments of the gross receipts from such sales made in
10 the course of business. Any tax imposed by a municipality
11 under this Sec. and all civil penalties that may be assessed
12 as an incident thereof shall be collected and enforced by the
13 State Department of Revenue. An ordinance imposing a tax
14 hereunder or effecting a change in the rate thereof shall be
15 adopted and a certified copy thereof filed with the
16 Department on or before the first day of October, whereupon
17 the Department shall proceed to administer and enforce this
18 Section as of the first day of January next following such
19 adoption and filing. The certificate of registration that is
20 issued by the Department to a retailer under the Retailers'
21 Occupation Tax Act shall permit the retailer to engage in a
22 business that is taxable under any ordinance or resolution
23 enacted under this Section without registering separately
24 with the Department under the ordinance or resolution or
25 under this Section. The Department shall have full power to
26 administer and enforce this Section, to collect all taxes and
27 penalties due hereunder, to dispose of taxes and penalties so
28 collected in the manner hereinafter provided, and to
29 determine all rights to credit memoranda, arising on account
30 of the erroneous payment of tax or penalty hereunder. In the
31 administration of, and compliance with this Section, the
32 Department and persons who are subject to this Section shall
33 have the same rights, remedies, privileges, immunities,
34 powers, and duties, and be subject to the same conditions,

1 restrictions, limitations, penalties, and definitions of
2 terms, and employ the same modes of procedure, as are
3 prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 2
4 through 2-65 (in respect to all provisions therein other than
5 the State rate of tax), 2c, 3 (except as to the disposition
6 of taxes and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e,
7 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11,
8 12 and 13 of the Retailers' Occupation Tax Act and Section
9 3-7 of the Uniform Penalty and Interest Act as fully as if
10 those provisions were set forth herein.

11 A tax may not be imposed by a municipality under this
12 Section unless the municipality also imposes a tax at the
13 same rate under Section 8-11-1.7 of this Act.

14 Beginning in 2001, propane and home heating oil sold to
15 residential customers on or after December 1 and through
16 March 31 of each year are exempt from the tax imposed by this
17 Section.

18 Beginning in 2002, for bills issued on or after January 1
19 and through April 30 each year, natural gas distributed,
20 supplied, furnished, or sold to residential customers is
21 exempt from the tax imposed by this Section.

22 Persons subject to any tax imposed under the authority
23 granted in this Section, may reimburse themselves for their
24 seller's tax liability hereunder by separately stating the
25 tax as an additional charge, which charge may be stated in
26 combination, in a single amount, with State tax which sellers
27 are required to collect under the Use Tax Act, pursuant to
28 such bracket schedules as the Department may prescribe.

29 Whenever the Department determines that a refund should
30 be made under this Section to a claimant, instead of issuing
31 a credit memorandum, the Department shall notify the State
32 Comptroller, who shall cause the order to be drawn for the
33 amount specified, and to the person named in the notification
34 from the Department. The refund shall be paid by the State

1 Treasurer out of the Non-Home Rule Municipal Retailers'
2 Occupation Tax Fund, which is hereby created.

3 The Department shall forthwith pay over to the State
4 Treasurer, ex officio, as trustee, all taxes and penalties
5 collected hereunder. On or before the 25th day of each
6 calendar month, the Department shall prepare and certify to
7 the Comptroller the disbursement of stated sums of money to
8 named municipalities, the municipalities to be those from
9 which retailers have paid taxes or penalties hereunder to the
10 Department during the second preceding calendar month. The
11 amount to be paid to each municipality shall be the amount
12 (not including credit memoranda) collected hereunder during
13 the second preceding calendar month by the Department plus an
14 amount the Department determines is necessary to offset any
15 amounts that were erroneously paid to a different taxing
16 body, and not including an amount equal to the amount of
17 refunds made during the second preceding calendar month by
18 the Department on behalf of the municipality, and not
19 including any amount that the Department determines is
20 necessary to offset any amounts that were payable to a
21 different taxing body but were erroneously paid to the
22 municipality. Within 10 days after receipt by the
23 Comptroller of the disbursement certification to the
24 municipalities provided for in this Section to be given to
25 the Comptroller by the Department, the Comptroller shall
26 cause the orders to be drawn for the respective amounts in
27 accordance with the directions contained in the
28 certification.

29 For the purpose of determining the local governmental
30 unit whose tax is applicable, a retail sale by a producer of
31 coal or other mineral mined in Illinois is a sale at retail
32 at the place where the coal or other mineral mined in
33 Illinois is extracted from the earth. This paragraph does
34 not apply to coal or other mineral when it is delivered or

1 shipped by the seller to the purchaser at a point outside
2 Illinois so that the sale is exempt under the federal
3 Constitution as a sale in interstate or foreign commerce.

4 Nothing in this Section shall be construed to authorize a
5 municipality to impose a tax upon the privilege of engaging
6 in any business which under the constitution of the United
7 States may not be made the subject of taxation by this State.

8 When certifying the amount of a monthly disbursement to a
9 municipality under this Section, the Department shall
10 increase or decrease the amount by an amount necessary to
11 offset any misallocation of previous disbursements. The
12 offset amount shall be the amount erroneously disbursed
13 within the previous 6 months from the time a misallocation is
14 discovered.

15 As used in this Section, "municipal" and "municipality"
16 means a city, village, or incorporated town, including an
17 incorporated town that has superseded a civil township.

18 (Source: P.A. 88-334; 89-399, eff. 8-20-95.)

19 (65 ILCS 5/8-11-1.7)

20 Sec. 8-11-1.7. Non-home rule municipal service occupation
21 tax; municipalities between 20,000 and 25,000. The corporate
22 authorities of a non-home rule municipality with a population
23 of more than 20,000 but less than 25,000 as determined by the
24 last preceding decennial census that has, prior to January 1,
25 1987, established a Redevelopment Project Area that has been
26 certified as a State Sales Tax Boundary and has issued bonds
27 or otherwise incurred indebtedness to pay for costs in excess
28 of \$5,000,000, which is secured in part by a tax increment
29 allocation fund, in accordance with the provisions of
30 Division 11-74.7 of this Code may, by passage of an
31 ordinance, impose a tax upon all persons engaged in the
32 municipality in the business of making sales of service. If
33 imposed, the tax shall only be imposed in .25% increments of

1 the selling price of all tangible personal property
2 transferred by such servicemen either in the form of tangible
3 personal property or in the form of real estate as an
4 incident to a sale of service. This tax may not be imposed on
5 the sales of food for human consumption that is to be
6 consumed off the premises where it is sold (other than
7 alcoholic beverages, soft drinks, and food that has been
8 prepared for immediate consumption) and prescription and
9 nonprescription medicines, drugs, medical appliances and
10 insulin, urine testing materials, syringes, and needles used
11 by diabetics. The tax imposed by a municipality under this
12 Sec. and all civil penalties that may be assessed as an
13 incident thereof shall be collected and enforced by the State
14 Department of Revenue. An ordinance imposing a tax hereunder
15 or effecting a change in the rate thereof shall be adopted
16 and a certified copy thereof filed with the Department on or
17 before the first day of October, whereupon the Department
18 shall proceed to administer and enforce this Section as of
19 the first day of January next following such adoption and
20 filing. The certificate of registration that is issued by
21 the Department to a retailer under the Retailers' Occupation
22 Tax Act or under the Service Occupation Tax Act shall permit
23 the registrant to engage in a business that is taxable under
24 any ordinance or resolution enacted under this Section
25 without registering separately with the Department under the
26 ordinance or resolution or under this Section. The Department
27 shall have full power to administer and enforce this Section,
28 to collect all taxes and penalties due hereunder, to dispose
29 of taxes and penalties so collected in a manner hereinafter
30 provided, and to determine all rights to credit memoranda
31 arising on account of the erroneous payment of tax or penalty
32 hereunder. In the administration of and compliance with this
33 Section, the Department and persons who are subject to this
34 Section shall have the same rights, remedies, privileges,

1 immunities, powers, and duties, and be subject to the same
2 conditions, restrictions, limitations, penalties and
3 definitions of terms, and employ the same modes of procedure,
4 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in
5 respect to all provisions therein other than the State rate
6 of tax), 4 (except that the reference to the State shall be
7 to the taxing municipality), 5, 7, 8 (except that the
8 jurisdiction to which the tax shall be a debt to the extent
9 indicated in that Section 8 shall be the taxing
10 municipality), 9 (except as to the disposition of taxes and
11 penalties collected, and except that the returned merchandise
12 credit for this municipal tax may not be taken against any
13 State tax), 10, 11, 12, (except the reference therein to
14 Section 2b of the Retailers' Occupation Tax Act), 13 (except
15 that any reference to the State shall mean the taxing
16 municipality), the first paragraph of Sections 15, 16, 17,
17 18, 19, and 20 of the Service Occupation Tax Act and Section
18 3-7 of the Uniform Penalty and Interest Act, as fully as if
19 those provisions were set forth herein.

20 A tax may not be imposed by a municipality under this
21 Section unless the municipality also imposes a tax at the
22 same rate under Section 8-11-1.6 of this Act.

23 Beginning in 2001, propane and home heating oil sold to
24 residential customers on or after December 1 and through
25 March 31 of each year are exempt from the tax imposed by this
26 Section.

27 Beginning in 2002, for bills issued on or after January 1
28 and through April 30 each year, natural gas distributed,
29 supplied, furnished, or sold to residential customers is
30 exempt from the tax imposed by this Section.

31 Person subject to any tax imposed under the authority
32 granted in this Section may reimburse themselves for their
33 servicemen's tax liability hereunder by separately stating
34 the tax as an additional charge, which charge may be stated

1 in combination, in a single amount, with State tax that
2 servicemen are authorized to collect under the Service Use
3 Tax Act, under such bracket schedules as the Department may
4 prescribe.

5 Whenever the Department determines that a refund should
6 be made under this Section to a claimant instead of issuing
7 credit memorandum, the Department shall notify the State
8 Comptroller, who shall cause the order to be drawn for the
9 amount specified, and to the person named, in such
10 notification from the Department. The refund shall be paid by
11 the State Treasurer out of the Non-Home Rule Municipal
12 Retailers' Occupation Tax Fund.

13 The Department shall forthwith pay over to the State
14 Treasurer, ex officio, as trustee, all taxes and penalties
15 collected hereunder. On or before the 25th day of each
16 calendar month, the Department shall prepare and certify to
17 the Comptroller the disbursement of stated sums of money to
18 named municipalities, the municipalities to be those from
19 which suppliers and servicemen have paid taxes or penalties
20 hereunder to the Department during the second preceding
21 calendar month. The amount to be paid to each municipality
22 shall be the amount (not including credit memoranda)
23 collected hereunder during the second preceding calendar
24 month by the Department, and not including an amount equal to
25 the amount of refunds made during the second preceding
26 calendar month by the Department on behalf of such
27 municipality. Within 10 days after receipt by the Comptroller
28 of the disbursement certification to the municipalities and
29 the General Revenue Fund, provided for in this Section to be
30 given to the Comptroller by the Department, the Comptroller
31 shall cause the orders to be drawn for the respective amounts
32 in accordance with the directions contained in the
33 certification.

34 When certifying the amount of a monthly disbursement to a

1 municipality under this Section, the Department shall
2 increase or decrease the amount by an amount necessary to
3 offset any misallocation of previous disbursements. The
4 offset amount shall be the amount erroneously disbursed
5 within the previous 6 months from the time a misallocation is
6 discovered.

7 Nothing in this Section shall be construed to authorize a
8 municipality to impose a tax upon the privilege of engaging
9 in any business which under the constitution of the United
10 States may not be made the subject of taxation by this State.
11 (Source: P.A. 88-334; 89-399, eff. 8-20-95.)

12 (65 ILCS 5/8-11-2) (from Ch. 24, par. 8-11-2)
13 Sec. 8-11-2. Municipal occupation and privilege taxes.

14 The corporate authorities of any municipality may tax any or
15 all of the following occupations or privileges:

16 1. Persons engaged in the business of transmitting
17 messages by means of electricity or radio magnetic waves,
18 or fiber optics, at a rate not to exceed 5% of the gross
19 receipts from that business originating within the
20 corporate limits of the municipality. Beginning January
21 1, 2001, prepaid telephone calling arrangements shall not
22 be subject to the tax imposed under this Section. For
23 purposes of this Section, "prepaid telephone calling
24 arrangements" means that term as defined in Section 2-27
25 of the Retailers' Occupation Tax Act.

26 2. Persons engaged in the business of distributing,
27 supplying, furnishing, or selling gas for use or
28 consumption within the corporate limits of a municipality
29 of 500,000 or fewer population, and not for resale, at a
30 rate not to exceed 5% of the gross receipts therefrom. No
31 tax is imposed under this subparagraph 2 or under the
32 authority of any home rule power on gas distributed,
33 supplied, furnished, or sold to residential customers,

1 for bills issued on or after January 1 and through April
2 30 each year. This amendatory Act of the 92nd General
3 Assembly is a denial and limitation of home rule powers
4 to tax under subsection (g) of Section 6 of Article VII
5 of the Illinois Constitution.

6 2a. Persons engaged in the business of
7 distributing, supplying, furnishing, or selling gas for
8 use or consumption within the corporate limits of a
9 municipality of over 500,000 population, and not for
10 resale, at a rate not to exceed 8% of the gross receipts
11 therefrom. If imposed, this tax shall be paid in monthly
12 payments. No tax is imposed under this subparagraph 2a or
13 under the authority of any home rule power on gas
14 distributed, supplied, furnished, or sold to residential
15 customers, for bills issued on or after January 1 and
16 through April 30 each year. This amendatory Act of the
17 92nd General Assembly is a denial and limitation of home
18 rule powers to tax under subsection (g) of Section 6 of
19 Article VII of the Illinois Constitution.

20 3. The privilege of using or consuming electricity
21 acquired in a purchase at retail and used or consumed
22 within the corporate limits of the municipality at rates
23 not to exceed the following maximum rates, calculated on
24 a monthly basis for each purchaser:

25 (i) For the first 2,000 kilowatt-hours used or
26 consumed in a month; 0.61 cents per kilowatt-hour;

27 (ii) For the next 48,000 kilowatt-hours used or
28 consumed in a month; 0.40 cents per kilowatt-hour;

29 (iii) For the next 50,000 kilowatt-hours used or
30 consumed in a month; 0.36 cents per kilowatt-hour;

31 (iv) For the next 400,000 kilowatt-hours used or
32 consumed in a month; 0.35 cents per kilowatt-hour;

33 (v) For the next 500,000 kilowatt-hours used or
34 consumed in a month; 0.34 cents per kilowatt-hour;

1 (vi) For the next 2,000,000 kilowatt-hours used or
2 consumed in a month; 0.32 cents per kilowatt-hour;

3 (vii) For the next 2,000,000 kilowatt-hours used or
4 consumed in a month; 0.315 cents per kilowatt-hour;

5 (viii) For the next 5,000,000 kilowatt-hours used
6 or consumed in a month; 0.31 cents per kilowatt-hour;

7 (ix) For the next 10,000,000 kilowatt-hours used or
8 consumed in a month; 0.305 cents per kilowatt-hour; and

9 (x) For all electricity used or consumed in excess
10 of 20,000,000 kilowatt-hours in a month, 0.30 cents per
11 kilowatt-hour.

12 If a municipality imposes a tax at rates lower than
13 either the maximum rates specified in this Section or the
14 alternative maximum rates promulgated by the Illinois
15 Commerce Commission, as provided below, the tax rates
16 shall be imposed upon the kilowatt hour categories set
17 forth above with the same proportional relationship as
18 that which exists among such maximum rates.
19 Notwithstanding the foregoing, until December 31, 2008,
20 no municipality shall establish rates that are in excess
21 of rates reasonably calculated to produce revenues that
22 equal the maximum total revenues such municipality could
23 have received under the tax authorized by this
24 subparagraph in the last full calendar year prior to the
25 effective date of Section 65 of this amendatory Act of
26 1997; provided that this shall not be a limitation on the
27 amount of tax revenues actually collected by such
28 municipality.

29 Upon the request of the corporate authorities of a
30 municipality, the Illinois Commerce Commission shall,
31 within 90 days after receipt of such request, promulgate
32 alternative rates for each of these kilowatt-hour
33 categories that will reflect, as closely as reasonably
34 practical for that municipality, the distribution of the

1 tax among classes of purchasers as if the tax were based
2 on a uniform percentage of the purchase price of
3 electricity. A municipality that has adopted an
4 ordinance imposing a tax pursuant to subparagraph 3 as it
5 existed prior to the effective date of Section 65 of this
6 amendatory Act of 1997 may, rather than imposing the tax
7 permitted by this amendatory Act of 1997, continue to
8 impose the tax pursuant to that ordinance with respect to
9 gross receipts received from residential customers
10 through July 31, 1999, and with respect to gross receipts
11 from any non-residential customer until the first bill
12 issued to such customer for delivery services in
13 accordance with Section 16-104 of the Public Utilities
14 Act but in no case later than the last bill issued to
15 such customer before December 31, 2000. No ordinance
16 imposing the tax permitted by this amendatory Act of 1997
17 shall be applicable to any non-residential customer until
18 the first bill issued to such customer for delivery
19 services in accordance with Section 16-104 of the Public
20 Utilities Act but in no case later than the last bill
21 issued to such non-residential customer before December
22 31, 2000.

23 4. Persons engaged in the business of distributing,
24 supplying, furnishing, or selling water for use or
25 consumption within the corporate limits of the
26 municipality, and not for resale, at a rate not to exceed
27 5% of the gross receipts therefrom.

28 None of the taxes authorized by this Section may be
29 imposed with respect to any transaction in interstate
30 commerce or otherwise to the extent to which the business or
31 privilege may not, under the constitution and statutes of the
32 United States, be made the subject of taxation by this State
33 or any political sub-division thereof; nor shall any persons
34 engaged in the business of distributing, supplying,

1 furnishing, selling or transmitting gas, water, or
2 electricity, or engaged in the business of transmitting
3 messages, or using or consuming electricity acquired in a
4 purchase at retail, be subject to taxation under the
5 provisions of this Section for those transactions that are or
6 may become subject to taxation under the provisions of the
7 "Municipal Retailers' Occupation Tax Act" authorized by
8 Section 8-11-1; nor shall any tax authorized by this Section
9 be imposed upon any person engaged in a business or on any
10 privilege unless the tax is imposed in like manner and at the
11 same rate upon all persons engaged in businesses of the same
12 class in the municipality, whether privately or municipally
13 owned or operated, or exercising the same privilege within
14 the municipality.

15 Any of the taxes enumerated in this Section may be in
16 addition to the payment of money, or value of products or
17 services furnished to the municipality by the taxpayer as
18 compensation for the use of its streets, alleys, or other
19 public places, or installation and maintenance therein,
20 thereon or thereunder of poles, wires, pipes or other
21 equipment used in the operation of the taxpayer's business.

22 (a) If the corporate authorities of any home rule
23 municipality have adopted an ordinance that imposed a tax on
24 public utility customers, between July 1, 1971, and October
25 1, 1981, on the good faith belief that they were exercising
26 authority pursuant to Section 6 of Article VII of the 1970
27 Illinois Constitution, that action of the corporate
28 authorities shall be declared legal and valid,
29 notwithstanding a later decision of a judicial tribunal
30 declaring the ordinance invalid. No municipality shall be
31 required to rebate, refund, or issue credits for any taxes
32 described in this paragraph, and those taxes shall be deemed
33 to have been levied and collected in accordance with the
34 Constitution and laws of this State.

1 (b) In any case in which (i) prior to October 19, 1979,
2 the corporate authorities of any municipality have adopted an
3 ordinance imposing a tax authorized by this Section (or by
4 the predecessor provision of the "Revised Cities and Villages
5 Act") and have explicitly or in practice interpreted gross
6 receipts to include either charges added to customers' bills
7 pursuant to the provision of paragraph (a) of Section 36 of
8 the Public Utilities Act or charges added to customers' bills
9 by taxpayers who are not subject to rate regulation by the
10 Illinois Commerce Commission for the purpose of recovering
11 any of the tax liabilities or other amounts specified in such
12 paragraph (a) of Section 36 of that Act, and (ii) on or after
13 October 19, 1979, a judicial tribunal has construed gross
14 receipts to exclude all or part of those charges, then
15 neither those municipality nor any taxpayer who paid the tax
16 shall be required to rebate, refund, or issue credits for any
17 tax imposed or charge collected from customers pursuant to
18 the municipality's interpretation prior to October 19, 1979.
19 This paragraph reflects a legislative finding that it would
20 be contrary to the public interest to require a municipality
21 or its taxpayers to refund taxes or charges attributable to
22 the municipality's more inclusive interpretation of gross
23 receipts prior to October 19, 1979, and is not intended to
24 prescribe or limit judicial construction of this Section. The
25 legislative finding set forth in this subsection does not
26 apply to taxes imposed after the effective date of this
27 amendatory Act of 1995.

28 (c) The tax authorized by subparagraph 3 shall be
29 collected from the purchaser by the person maintaining a
30 place of business in this State who delivers the electricity
31 to the purchaser. This tax shall constitute a debt of the
32 purchaser to the person who delivers the electricity to the
33 purchaser and if unpaid, is recoverable in the same manner as
34 the original charge for delivering the electricity. Any tax

1 required to be collected pursuant to an ordinance authorized
2 by subparagraph 3 and any such tax collected by a person
3 delivering electricity shall constitute a debt owed to the
4 municipality by such person delivering the electricity,
5 provided, that the person delivering electricity shall be
6 allowed credit for such tax related to deliveries of
7 electricity the charges for which are written off as
8 uncollectible, and provided further, that if such charges are
9 thereafter collected, the delivering supplier shall be
10 obligated to remit such tax. For purposes of this subsection
11 (c), any partial payment not specifically identified by the
12 purchaser shall be deemed to be for the delivery of
13 electricity. Persons delivering electricity shall collect the
14 tax from the purchaser by adding such tax to the gross charge
15 for delivering the electricity, in the manner prescribed by
16 the municipality. Persons delivering electricity shall also
17 be authorized to add to such gross charge an amount equal to
18 3% of the tax to reimburse the person delivering electricity
19 for the expenses incurred in keeping records, billing
20 customers, preparing and filing returns, remitting the tax
21 and supplying data to the municipality upon request. If the
22 person delivering electricity fails to collect the tax from
23 the purchaser, then the purchaser shall be required to pay
24 the tax directly to the municipality in the manner prescribed
25 by the municipality. Persons delivering electricity who file
26 returns pursuant to this paragraph (c) shall, at the time of
27 filing such return, pay the municipality the amount of the
28 tax collected pursuant to subparagraph 3.

29 (d) For the purpose of the taxes enumerated in this
30 Section:

31 "Gross receipts" means the consideration received for the
32 transmission of messages, the consideration received for
33 distributing, supplying, furnishing or selling gas for use or
34 consumption and not for resale, and the consideration

1 received for distributing, supplying, furnishing or selling
2 water for use or consumption and not for resale, and for all
3 services rendered in connection therewith valued in money,
4 whether received in money or otherwise, including cash,
5 credit, services and property of every kind and material and
6 for all services rendered therewith, and shall be determined
7 without any deduction on account of the cost of transmitting
8 such messages, without any deduction on account of the cost
9 of the service, product or commodity supplied, the cost of
10 materials used, labor or service cost, or any other expenses
11 whatsoever. "Gross receipts" shall not include that portion
12 of the consideration received for distributing, supplying,
13 furnishing, or selling gas or water to, or for the
14 transmission of messages for, business enterprises described
15 in paragraph (e) of this Section to the extent and during the
16 period in which the exemption authorized by paragraph (e) is
17 in effect or for school districts or units of local
18 government described in paragraph (f) during the period in
19 which the exemption authorized in paragraph (f) is in effect.
20 "Gross receipts" shall not include amounts paid by
21 telecommunications retailers under the Telecommunications
22 Municipal Infrastructure Maintenance Fee Act.

23 For utility bills issued on or after May 1, 1996, but
24 before May 1, 1997, and for receipts from those utility
25 bills, "gross receipts" does not include one-third of (i)
26 amounts added to customers' bills under Section 9-222 of the
27 Public Utilities Act, or (ii) amounts added to customers'
28 bills by taxpayers who are not subject to rate regulation by
29 the Illinois Commerce Commission for the purpose of
30 recovering any of the tax liabilities described in Section
31 9-222 of the Public Utilities Act. For utility bills issued
32 on or after May 1, 1997, but before May 1, 1998, and for
33 receipts from those utility bills, "gross receipts" does not
34 include two-thirds of (i) amounts added to customers' bills

1 under Section 9-222 of the Public Utilities Act, or (ii)
2 amount added to customers' bills by taxpayers who are not
3 subject to rate regulation by the Illinois Commerce
4 Commission for the purpose of recovering any of the tax
5 liabilities described in Section 9-222 of the Public
6 Utilities Act. For utility bills issued on or after May 1,
7 1998, and for receipts from those utility bills, "gross
8 receipts" does not include (i) amounts added to customers'
9 bills under Section 9-222 of the Public Utilities Act, or
10 (ii) amounts added to customers' bills by taxpayers who are
11 not subject to rate regulation by the Illinois Commerce
12 Commission for the purpose of recovering any of the tax
13 liabilities described in Section 9-222 of the Public
14 Utilities Act.

15 For purposes of this Section "gross receipts" shall not
16 include (i) amounts added to customers' bills under Section
17 9-221 of the Public Utilities Act, or (ii) charges added to
18 customers' bills to recover the surcharge imposed under the
19 Emergency Telephone System Act. This paragraph is not
20 intended to nor does it make any change in the meaning of
21 "gross receipts" for the purposes of this Section, but is
22 intended to remove possible ambiguities, thereby confirming
23 the existing meaning of "gross receipts" prior to the
24 effective date of this amendatory Act of 1995.

25 The words "transmitting messages", in addition to the
26 usual and popular meaning of person to person communication,
27 shall include the furnishing, for a consideration, of
28 services or facilities (whether owned or leased), or both, to
29 persons in connection with the transmission of messages where
30 those persons do not, in turn, receive any consideration in
31 connection therewith, but shall not include such furnishing
32 of services or facilities to persons for the transmission of
33 messages to the extent that any such services or facilities
34 for the transmission of messages are furnished for a

1 consideration, by those persons to other persons, for the
2 transmission of messages.

3 "Person" as used in this Section means any natural
4 individual, firm, trust, estate, partnership, association,
5 joint stock company, joint adventure, corporation, limited
6 liability company, municipal corporation, the State or any of
7 its political subdivisions, any State university created by
8 statute, or a receiver, trustee, guardian or other
9 representative appointed by order of any court.

10 "Person maintaining a place of business in this State"
11 shall mean any person having or maintaining within this
12 State, directly or by a subsidiary or other affiliate, an
13 office, generation facility, distribution facility,
14 transmission facility, sales office or other place of
15 business, or any employee, agent, or other representative
16 operating within this State under the authority of the person
17 or its subsidiary or other affiliate, irrespective of whether
18 such place of business or agent or other representative is
19 located in this State permanently or temporarily, or whether
20 such person, subsidiary or other affiliate is licensed or
21 qualified to do business in this State.

22 "Public utility" shall have the meaning ascribed to it in
23 Section 3-105 of the Public Utilities Act and shall include
24 telecommunications carriers as defined in Section 13-202 of
25 that Act and alternative retail electric suppliers as defined
26 in Section 16-102 of that Act.

27 "Purchase at retail" shall mean any acquisition of
28 electricity by a purchaser for purposes of use or
29 consumption, and not for resale, but shall not include the
30 use of electricity by a public utility directly in the
31 generation, production, transmission, delivery or sale of
32 electricity.

33 "Purchaser" shall mean any person who uses or consumes,
34 within the corporate limits of the municipality, electricity

1 acquired in a purchase at retail.

2 In the case of persons engaged in the business of
3 transmitting messages through the use of mobile equipment,
4 such as cellular phones and paging systems, the gross
5 receipts from the business shall be deemed to originate
6 within the corporate limits of a municipality only if the
7 address to which the bills for the service are sent is within
8 those corporate limits. If, however, that address is not
9 located within a municipality that imposes a tax under this
10 Section, then (i) if the party responsible for the bill is
11 not an individual, the gross receipts from the business shall
12 be deemed to originate within the corporate limits of the
13 municipality where that party's principal place of business
14 in Illinois is located, and (ii) if the party responsible for
15 the bill is an individual, the gross receipts from the
16 business shall be deemed to originate within the corporate
17 limits of the municipality where that party's principal
18 residence in Illinois is located.

19 (e) Any municipality that imposes taxes upon public
20 utilities or upon the privilege of using or consuming
21 electricity pursuant to this Section whose territory includes
22 any part of an enterprise zone or federally designated
23 Foreign Trade Zone or Sub-Zone may, by a majority vote of its
24 corporate authorities, exempt from those taxes for a period
25 not exceeding 20 years any specified percentage of gross
26 receipts of public utilities received from, or electricity
27 used or consumed by, business enterprises that:

28 (1) either (i) make investments that cause the
29 creation of a minimum of 200 full-time equivalent jobs in
30 Illinois, (ii) make investments of at least \$175,000,000
31 that cause the creation of a minimum of 150 full-time
32 equivalent jobs in Illinois, or (iii) make investments
33 that cause the retention of a minimum of 1,000 full-time
34 jobs in Illinois; and

1 (2) are either (i) located in an Enterprise Zone
2 established pursuant to the Illinois Enterprise Zone Act
3 or (ii) Department of Commerce and Community Affairs
4 designated High Impact Businesses located in a federally
5 designated Foreign Trade Zone or Sub-Zone; and

6 (3) are certified by the Department of Commerce and
7 Community Affairs as complying with the requirements
8 specified in clauses (1) and (2) of this paragraph (e).

9 Upon adoption of the ordinance authorizing the exemption,
10 the municipal clerk shall transmit a copy of that ordinance
11 to the Department of Commerce and Community Affairs. The
12 Department of Commerce and Community Affairs shall determine
13 whether the business enterprises located in the municipality
14 meet the criteria prescribed in this paragraph. If the
15 Department of Commerce and Community Affairs determines that
16 the business enterprises meet the criteria, it shall grant
17 certification. The Department of Commerce and Community
18 Affairs shall act upon certification requests within 30 days
19 after receipt of the ordinance.

20 Upon certification of the business enterprise by the
21 Department of Commerce and Community Affairs, the Department
22 of Commerce and Community Affairs shall notify the Department
23 of Revenue of the certification. The Department of Revenue
24 shall notify the public utilities of the exemption status of
25 the gross receipts received from, and the electricity used or
26 consumed by, the certified business enterprises. Such
27 exemption status shall be effective within 3 months after
28 certification.

29 (f) A municipality that imposes taxes upon public
30 utilities or upon the privilege of using or consuming
31 electricity under this Section and whose territory includes
32 part of another unit of local government or a school district
33 may by ordinance exempt the other unit of local government or
34 school district from those taxes.

1 (g) The amendment of this Section by Public Act 84-127
2 shall take precedence over any other amendment of this
3 Section by any other amendatory Act passed by the 84th
4 General Assembly before the effective date of Public Act
5 84-127.

6 (h) In any case in which, before July 1, 1992, a person
7 engaged in the business of transmitting messages through the
8 use of mobile equipment, such as cellular phones and paging
9 systems, has determined the municipality within which the
10 gross receipts from the business originated by reference to
11 the location of its transmitting or switching equipment, then

12 (i) neither the municipality to which tax was paid on that
13 basis nor the taxpayer that paid tax on that basis shall be
14 required to rebate, refund, or issue credits for any such tax
15 or charge collected from customers to reimburse the taxpayer
16 for the tax and (ii) no municipality to which tax would have
17 been paid with respect to those gross receipts if the
18 provisions of this amendatory Act of 1991 had been in effect
19 before July 1, 1992, shall have any claim against the
20 taxpayer for any amount of the tax.

21 (Source: P.A. 90-16, eff. 6-16-97; 90-561, eff. 8-1-98;
22 90-562, eff. 12-16-97; 90-655, eff. 7-30-98; 91-870, eff.
23 6-22-00.)

24 (65 ILCS 5/8-11-5) (from Ch. 24, par. 8-11-5)
25 Sec. 8-11-5. Home Rule Municipal Service Occupation Tax
26 Act. The corporate authorities of a home rule municipality
27 may impose a tax upon all persons engaged, in such
28 municipality, in the business of making sales of service at
29 the same rate of tax imposed pursuant to Section 8-11-1, of
30 the selling price of all tangible personal property
31 transferred by such servicemen either in the form of tangible
32 personal property or in the form of real estate as an
33 incident to a sale of service. If imposed, such tax shall

1 only be imposed in 1/4% increments. On and after September 1,
2 1991, this additional tax may not be imposed on the sales of
3 food for human consumption which is to be consumed off the
4 premises where it is sold (other than alcoholic beverages,
5 soft drinks and food which has been prepared for immediate
6 consumption) and prescription and nonprescription medicines,
7 drugs, medical appliances and insulin, urine testing
8 materials, syringes and needles used by diabetics. The tax
9 imposed by a home rule municipality pursuant to this Section
10 and all civil penalties that may be assessed as an incident
11 thereof shall be collected and enforced by the State
12 Department of Revenue. The certificate of registration which
13 is issued by the Department to a retailer under the
14 Retailers' Occupation Tax Act or under the Service Occupation
15 Tax Act shall permit such registrant to engage in a business
16 which is taxable under any ordinance or resolution enacted
17 pursuant to this Section without registering separately with
18 the Department under such ordinance or resolution or under
19 this Section. The Department shall have full power to
20 administer and enforce this Section; to collect all taxes and
21 penalties due hereunder; to dispose of taxes and penalties so
22 collected in the manner hereinafter provided, and to
23 determine all rights to credit memoranda arising on account
24 of the erroneous payment of tax or penalty hereunder. In the
25 administration of, and compliance with, this Section the
26 Department and persons who are subject to this Section shall
27 have the same rights, remedies, privileges, immunities,
28 powers and duties, and be subject to the same conditions,
29 restrictions, limitations, penalties and definitions of
30 terms, and employ the same modes of procedure, as are
31 prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in
32 respect to all provisions therein other than the State rate
33 of tax), 4 (except that the reference to the State shall be
34 to the taxing municipality), 5, 7, 8 (except that the

1 jurisdiction to which the tax shall be a debt to the extent
 2 indicated in that Section 8 shall be the taxing
 3 municipality), 9 (except as to the disposition of taxes and
 4 penalties collected, and except that the returned merchandise
 5 credit for this municipal tax may not be taken against any
 6 State tax), 10, 11, 12 (except the reference therein to
 7 Section 2b of the Retailers' Occupation Tax Act), 13 (except
 8 that any reference to the State shall mean the taxing
 9 municipality), the first paragraph of Section 15, 16, 17
 10 (except that credit memoranda issued hereunder may not be
 11 used to discharge any State tax liability), 18, 19 and 20 of
 12 the Service Occupation Tax Act and Section 3-7 of the Uniform
 13 Penalty and Interest Act, as fully as if those provisions
 14 were set forth herein.

15 No tax may be imposed by a home rule municipality
 16 pursuant to this Section unless such municipality also
 17 imposes a tax at the same rate pursuant to Section 8-11-1 of
 18 this Act.

19 Beginning in 2001, propane and home heating oil sold to
 20 residential customers on or after December 1 and through
 21 March 31 of each year are exempt from the tax imposed by this
 22 Section or under the authority of any home rule power.

23 Beginning in 2002, for bills issued on or after January 1
 24 and through April 30 each year, natural gas distributed,
 25 supplied, furnished, or sold to residential customers is
 26 exempt from the tax imposed by this Section or under the
 27 authority of any home rule power.

28 This amendatory Act of the 92nd General Assembly is a
 29 denial and limitation of home rule powers to tax under
 30 subsection (g) of Section 6 of Article VII of the Illinois
 31 Constitution.

32 Persons subject to any tax imposed pursuant to the
 33 authority granted in this Section may reimburse themselves
 34 for their serviceman's tax liability hereunder by separately

1 stating such tax as an additional charge, which charge may be
2 stated in combination, in a single amount, with State tax
3 which servicemen are authorized to collect under the Service
4 Use Tax Act, pursuant to such bracket schedules as the
5 Department may prescribe.

6 Whenever the Department determines that a refund should
7 be made under this Section to a claimant instead of issuing
8 credit memorandum, the Department shall notify the State
9 Comptroller, who shall cause the order to be drawn for the
10 amount specified, and to the person named, in such
11 notification from the Department. Such refund shall be paid
12 by the State Treasurer out of the home rule municipal
13 retailers' occupation tax fund.

14 The Department shall forthwith pay over to the State
15 Treasurer, ex-officio, as trustee, all taxes and penalties
16 collected hereunder. On or before the 25th day of each
17 calendar month, the Department shall prepare and certify to
18 the Comptroller the disbursement of stated sums of money to
19 named municipalities, the municipalities to be those from
20 which suppliers and servicemen have paid taxes or penalties
21 hereunder to the Department during the second preceding
22 calendar month. The amount to be paid to each municipality
23 shall be the amount (not including credit memoranda)
24 collected hereunder during the second preceding calendar
25 month by the Department, and not including an amount equal to
26 the amount of refunds made during the second preceding
27 calendar month by the Department on behalf of such
28 municipality. Within 10 days after receipt, by the
29 Comptroller, of the disbursement certification to the
30 municipalities, provided for in this Section to be given to
31 the Comptroller by the Department, the Comptroller shall
32 cause the orders to be drawn for the respective amounts in
33 accordance with the directions contained in such
34 certification.

1 In addition to the disbursement required by the preceding
2 paragraph and in order to mitigate delays caused by
3 distribution procedures, an allocation shall, if requested,
4 be made within 10 days after January 14, 1991, and in
5 November of 1991 and each year thereafter, to each
6 municipality that received more than \$500,000 during the
7 preceding fiscal year, (July 1 through June 30) whether
8 collected by the municipality or disbursed by the Department
9 as required by this Section. Within 10 days after January 14,
10 1991, participating municipalities shall notify the
11 Department in writing of their intent to participate. In
12 addition, for the initial distribution, participating
13 municipalities shall certify to the Department the amounts
14 collected by the municipality for each month under its home
15 rule occupation and service occupation tax during the period
16 July 1, 1989 through June 30, 1990. The allocation within 10
17 days after January 14, 1991, shall be in an amount equal to
18 the monthly average of these amounts, excluding the 2 months
19 of highest receipts. Monthly average for the period of July
20 1, 1990 through June 30, 1991 will be determined as follows:
21 the amounts collected by the municipality under its home rule
22 occupation and service occupation tax during the period of
23 July 1, 1990 through September 30, 1990, plus amounts
24 collected by the Department and paid to such municipality
25 through June 30, 1991, excluding the 2 months of highest
26 receipts. The monthly average for each subsequent period of
27 July 1 through June 30 shall be an amount equal to the
28 monthly distribution made to each such municipality under the
29 preceding paragraph during this period, excluding the 2
30 months of highest receipts. The distribution made in
31 November 1991 and each year thereafter under this paragraph
32 and the preceding paragraph shall be reduced by the amount
33 allocated and disbursed under this paragraph in the preceding
34 period of July 1 through June 30. The Department shall

1 prepare and certify to the Comptroller for disbursement the
2 allocations made in accordance with this paragraph.

3 Nothing in this Section shall be construed to authorize a
4 municipality to impose a tax upon the privilege of engaging
5 in any business which under the constitution of the United
6 States may not be made the subject of taxation by this State.

7 An ordinance or resolution imposing or discontinuing a
8 tax hereunder or effecting a change in the rate thereof shall
9 be adopted and a certified copy thereof filed with the
10 Department on or before the first day of June, whereupon the
11 Department shall proceed to administer and enforce this
12 Section as of the first day of September next following such
13 adoption and filing. Beginning January 1, 1992, an ordinance
14 or resolution imposing or discontinuing the tax hereunder or
15 effecting a change in the rate thereof shall be adopted and a
16 certified copy thereof filed with the Department on or before
17 the first day of July, whereupon the Department shall proceed
18 to administer and enforce this Section as of the first day of
19 October next following such adoption and filing. Beginning
20 January 1, 1993, an ordinance or resolution imposing or
21 discontinuing the tax hereunder or effecting a change in the
22 rate thereof shall be adopted and a certified copy thereof
23 filed with the Department on or before the first day of
24 October, whereupon the Department shall proceed to administer
25 and enforce this Section as of the first day of January next
26 following such adoption and filing. However, a municipality
27 located in a county with a population in excess of 3,000,000
28 that elected to become a home rule unit at the general
29 primary election in 1994 may adopt an ordinance or resolution
30 imposing the tax under this Section and file a certified copy
31 of the ordinance or resolution with the Department on or
32 before July 1, 1994. The Department shall then proceed to
33 administer and enforce this Section as of October 1, 1994.
34 Beginning April 1, 1998, an ordinance or resolution imposing

1 or discontinuing the tax hereunder or effecting a change in
2 the rate thereof shall either (i) be adopted and a certified
3 copy thereof filed with the Department on or before the first
4 day of April, whereupon the Department shall proceed to
5 administer and enforce this Section as of the first day of
6 July next following the adoption and filing; or (ii) be
7 adopted and a certified copy thereof filed with the
8 Department on or before the first day of October, whereupon
9 the Department shall proceed to administer and enforce this
10 Section as of the first day of January next following the
11 adoption and filing.

12 Any unobligated balance remaining in the Municipal
13 Retailers' Occupation Tax Fund on December 31, 1989, which
14 fund was abolished by Public Act 85-1135, and all receipts of
15 municipal tax as a result of audits of liability periods
16 prior to January 1, 1990, shall be paid into the Local
17 Government Tax Fund, for distribution as provided by this
18 Section prior to the enactment of Public Act 85-1135. All
19 receipts of municipal tax as a result of an assessment not
20 arising from an audit, for liability periods prior to January
21 1, 1990, shall be paid into the Local Government Tax Fund for
22 distribution before July 1, 1990, as provided by this Section
23 prior to the enactment of Public Act 85-1135, and on and
24 after July 1, 1990, all such receipts shall be distributed as
25 provided in Section 6z-18 of the State Finance Act.

26 As used in this Section, "municipal" and "municipality"
27 means a city, village or incorporated town, including an
28 incorporated town which has superseded a civil township.

29 This Section shall be known and may be cited as the Home
30 Rule Municipal Service Occupation Tax Act.

31 (Source: P.A. 90-689, eff. 7-31-98; 91-51, eff. 6-30-99.)

32 (65 ILCS 5/8-11-6) (from Ch. 24, par. 8-11-6)

33 Sec. 8-11-6. Home Rule Municipal Use Tax Act.

1 (a) The corporate authorities of a home rule
2 municipality may impose a tax upon the privilege of using, in
3 such municipality, any item of tangible personal property
4 which is purchased at retail from a retailer, and which is
5 titled or registered at a location within the corporate
6 limits of such home rule municipality with an agency of this
7 State's government, at a rate which is an increment of 1/4%
8 and based on the selling price of such tangible personal
9 property, as "selling price" is defined in the Use Tax Act.
10 In home rule municipalities with less than 2,000,000
11 inhabitants, the tax shall be collected by the municipality
12 imposing the tax from persons whose Illinois address for
13 titling or registration purposes is given as being in such
14 municipality.

15 (b) In home rule municipalities with 2,000,000 or more
16 inhabitants, the corporate authorities of the municipality
17 may additionally impose a tax beginning July 1, 1991 upon the
18 privilege of using in the municipality, any item of tangible
19 personal property, other than tangible personal property
20 titled or registered with an agency of the State's
21 government, that is purchased at retail from a retailer
22 located outside the corporate limits of the municipality, at
23 a rate that is an increment of 1/4% not to exceed 1% and
24 based on the selling price of the tangible personal property,
25 as "selling price" is defined in the Use Tax Act. Such tax
26 shall be collected from the purchaser by the municipality
27 imposing such tax.

28 To prevent multiple home rule taxation, the use in a home
29 rule municipality of tangible personal property that is
30 acquired outside the municipality and caused to be brought
31 into the municipality by a person who has already paid a home
32 rule municipal tax in another municipality in respect to the
33 sale, purchase, or use of that property, shall be exempt to
34 the extent of the amount of the tax properly due and paid in

1 the other home rule municipality.

2 (b-5) Beginning in 2001, propane and home heating oil
3 sold to residential customers on or after December 1 and
4 through March 31 of each year are exempt from the tax imposed
5 by this Section or under the authority of any home rule
6 power.

7 Beginning in 2002, for bills issued on or after January 1
8 and through April 30 each year, natural gas distributed,
9 supplied, furnished, or sold to residential customers is
10 exempt from the tax imposed by this Section or under the
11 authority of any home rule power.

12 This amendatory Act of the 92nd General Assembly is a
13 denial and limitation of home rule powers to tax under
14 subsection (g) of Section 6 of Article VII of the Illinois
15 Constitution.

16 (c) If a municipality having 2,000,000 or more
17 inhabitants imposes the tax authorized by subsection (a),
18 then the tax shall be collected by the Illinois Department of
19 Revenue when the property is purchased at retail from a
20 retailer in the county in which the home rule municipality
21 imposing the tax is located, and in all contiguous counties.
22 The tax shall be remitted to the State, or an exemption
23 determination must be obtained from the Department before the
24 title or certificate of registration for the property may be
25 issued. The tax or proof of exemption may be transmitted to
26 the Department by way of the State agency with which, or
27 State officer with whom, the tangible personal property must
28 be titled or registered if the Department and that agency or
29 State officer determine that this procedure will expedite the
30 processing of applications for title or registration.

31 The Department shall have full power to administer and
32 enforce this Section to collect all taxes, penalties and
33 interest due hereunder, to dispose of taxes, penalties and
34 interest so collected in the manner hereinafter provided, and

1 determine all rights to credit memoranda or refunds arising
2 on account of the erroneous payment of tax, penalty or
3 interest hereunder. In the administration of and compliance
4 with this Section the Department and persons who are subject
5 to this Section shall have the same rights, remedies,
6 privileges, immunities, powers and duties, and be subject to
7 the same conditions, restrictions, limitations, penalties and
8 definitions of terms, and employ the same modes of procedure
9 as are prescribed in Sections 2 (except the definition of
10 "retailer maintaining a place of business in this State"), 3
11 (except provisions pertaining to the State rate of tax, and
12 except provisions concerning collection or refunding of the
13 tax by retailers), 4, 11, 12, 12a, 14, 15, 19, 20, 21 and 22
14 of the Use Tax Act, which are not inconsistent with this
15 Section, as fully as if provisions contained in those
16 Sections of the Use Tax Act were set forth herein.

17 Whenever the Department determines that a refund shall be
18 made under this Section to a claimant instead of issuing a
19 credit memorandum, the Department shall notify the State
20 Comptroller, who shall cause the order to be drawn for the
21 amount specified, and to the person named, in such
22 notification from the Department. Such refund shall be paid
23 by the State Treasurer out of the home rule municipal
24 retailers' occupation tax fund.

25 The Department shall forthwith pay over to the State
26 Treasurer, ex officio, as trustee, all taxes, penalties and
27 interest collected hereunder. On or before the 25th day of
28 each calendar month, the Department shall prepare and certify
29 to the State Comptroller the disbursement of stated sums of
30 money to named municipalities, the municipality in each
31 instance to be that municipality from which the Department
32 during the second preceding calendar month, collected
33 municipal use tax from any person whose Illinois address for
34 titling or registration purposes is given as being in such

1 municipality. The amount to be paid to each municipality
2 shall be the amount (not including credit memoranda)
3 collected hereunder during the second preceding calendar
4 month by the Department, and not including an amount equal to
5 the amount of refunds made during the second preceding
6 calendar month by the Department on behalf of such
7 municipality, less the amount expended during the second
8 preceding month by the Department to be paid from the
9 appropriation to the Department from the Home Rule Municipal
10 Retailers' Occupation Tax Trust Fund. The appropriation to
11 cover the costs incurred by the Department in administering
12 and enforcing this Section shall not exceed 2% of the amount
13 estimated to be deposited into the Home Rule Municipal
14 Retailers' Occupation Tax Trust Fund during the fiscal year
15 for which the appropriation is made. Within 10 days after
16 receipt by the State Comptroller of the disbursement
17 certification to the municipalities provided for in this
18 Section to be given to the State Comptroller by the
19 Department, the State Comptroller shall cause the orders to
20 be drawn for the respective amounts in accordance with the
21 directions contained in that certification.

22 Any ordinance imposing or discontinuing any tax to be
23 collected and enforced by the Department under this Section
24 shall be adopted and a certified copy thereof filed with the
25 Department on or before October 1, whereupon the Department
26 of Revenue shall proceed to administer and enforce this
27 Section on behalf of the municipalities as of January 1 next
28 following such adoption and filing. Beginning April 1, 1998,
29 any ordinance imposing or discontinuing any tax to be
30 collected and enforced by the Department under this Section
31 shall either (i) be adopted and a certified copy thereof
32 filed with the Department on or before April 1, whereupon the
33 Department of Revenue shall proceed to administer and enforce
34 this Section on behalf of the municipalities as of July 1

1 next following the adoption and filing; or (ii) be adopted
2 and a certified copy thereof filed with the Department on or
3 before October 1, whereupon the Department of Revenue shall
4 proceed to administer and enforce this Section on behalf of
5 the municipalities as of January 1 next following the
6 adoption and filing.

7 Nothing in this subsection (c) shall prevent a home rule
8 municipality from collecting the tax pursuant to subsection
9 (a) in any situation where such tax is not collected by the
10 Department of Revenue under this subsection (c).

11 (d) Any unobligated balance remaining in the Municipal
12 Retailers' Occupation Tax Fund on December 31, 1989, which
13 fund was abolished by Public Act 85-1135, and all receipts of
14 municipal tax as a result of audits of liability periods
15 prior to January 1, 1990, shall be paid into the Local
16 Government Tax Fund, for distribution as provided by this
17 Section prior to the enactment of Public Act 85-1135. All
18 receipts of municipal tax as a result of an assessment not
19 arising from an audit, for liability periods prior to January
20 1, 1990, shall be paid into the Local Government Tax Fund for
21 distribution before July 1, 1990, as provided by this Section
22 prior to the enactment of Public Act 85-1135, and on and
23 after July 1, 1990, all such receipts shall be distributed as
24 provided in Section 6z-18 of the State Finance Act.

25 (e) As used in this Section, "Municipal" and
26 "Municipality" means a city, village or incorporated town,
27 including an incorporated town which has superseded a civil
28 township.

29 (f) This Section shall be known and may be cited as the
30 Home Rule Municipal Use Tax Act.

31 (Source: P.A. 90-562, eff. 12-16-97; 90-689, eff. 7-31-98;
32 91-51, eff. 6-30-99.)

33 Section 50. The Civic Center Code is amended by changing

1 Section 245-12 as follows:

2 (70 ILCS 200/245-12)

3 Sec. 245-12. Use and occupation taxes.

4 (a) The Authority may adopt a resolution that authorizes
5 a referendum on the question of whether the Authority shall
6 be authorized to impose a retailers' occupation tax, a
7 service occupation tax, and a use tax in one-quarter percent
8 increments at a rate not to exceed 1%. The Authority shall
9 certify the question to the proper election authorities who
10 shall submit the question to the voters of the metropolitan
11 area at the next regularly scheduled election in accordance
12 with the general election law. The question shall be in
13 substantially the following form:

14 "Shall the Salem Civic Center Authority be authorized to
15 impose a retailers' occupation tax, a service occupation
16 tax, and a use tax at the rate of (rate) for the sole
17 purpose of obtaining funds for the support, construction,
18 maintenance, or financing of a facility of the
19 Authority?"

20 Votes shall be recorded as "yes" or "no". If a majority
21 of all votes cast on the proposition are in favor of the
22 proposition, the Authority is authorized to impose the tax.

23 (b) The Authority shall impose the retailers' occupation
24 tax upon all persons engaged in the business of selling
25 tangible personal property at retail in the metropolitan
26 area, at the rate approved by referendum, on the gross
27 receipts from the sales made in the course of such business
28 within the metropolitan area. The tax imposed under this
29 Section and all civil penalties that may be assessed as an
30 incident thereof shall be collected and enforced by the
31 Department of Revenue. The Department has full power to
32 administer and enforce this Section; to collect all taxes and
33 penalties so collected in the manner provided in this

1 Section; and to determine all rights to credit memoranda
2 arising on account of the erroneous payment of tax or penalty
3 hereunder. In the administration of, and compliance with,
4 this Section, the Department and persons who are subject to
5 this Section shall (i) have the same rights, remedies,
6 privileges, immunities, powers and duties, (ii) be subject to
7 the same conditions, restrictions, limitations, penalties,
8 exclusions, exemptions, and definitions of terms, and (iii)
9 employ the same modes of procedure as are prescribed in
10 Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2,
11 2-5, 2-5.5, 2-10 (in respect to all provisions therein other
12 than the State rate of tax), 2-15 through 2-70, 2a, 2b, 2c, 3
13 (except as to the disposition of taxes and penalties
14 collected and provisions related to quarter monthly
15 payments), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l,
16 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 11a, 12, and 13 of the
17 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
18 Penalty and Interest Act, as fully as if those provisions
19 were set forth in this subsection.

20 Beginning in 2001, propane and home heating oil sold to
21 residential customers on or after December 1 and through
22 March 31 of each year are exempt from the tax imposed by this
23 subsection.

24 Beginning in 2002, for bills issued on or after January 1
25 and through April 30 each year, natural gas distributed,
26 supplied, furnished, or sold to residential customers is
27 exempt from the tax imposed by this subsection.

28 Persons subject to any tax imposed under this subsection
29 may reimburse themselves for their seller's tax liability by
30 separately stating the tax as an additional charge, which
31 charge may be stated in combination, in a single amount, with
32 State taxes that sellers are required to collect, in
33 accordance with such bracket schedules as the Department may
34 prescribe.

1 Whenever the Department determines that a refund should
2 be made under this subsection to a claimant instead of
3 issuing a credit memorandum, the Department shall notify the
4 State Comptroller, who shall cause the warrant to be drawn
5 for the amount specified, and to the person named, in the
6 notification from the Department. The refund shall be paid
7 by the State Treasurer out of the tax fund referenced under
8 paragraph (g) of this Section.

9 If a tax is imposed under this subsection (b), a tax
10 shall also be imposed at the same rate under subsections (c)
11 and (d) of this Section.

12 For the purpose of determining whether a tax authorized
13 under this Section is applicable, a retail sale, by a
14 producer of coal or other mineral mined in Illinois, is a
15 sale at retail at the place where the coal or other mineral
16 mined in Illinois is extracted from the earth. This
17 paragraph does not apply to coal or other mineral when it is
18 delivered or shipped by the seller to the purchaser at a
19 point outside Illinois so that the sale is exempt under the
20 Federal Constitution as a sale in interstate or foreign
21 commerce.

22 Nothing in this Section shall be construed to authorize
23 the Authority to impose a tax upon the privilege of engaging
24 in any business which under the Constitution of the United
25 States may not be made the subject of taxation by this State.

26 (c) If a tax has been imposed under subsection (b), a
27 service occupation tax shall also be imposed at the same rate
28 upon all persons engaged, in the metropolitan area, in the
29 business of making sales of service, who, as an incident to
30 making those sales of service, transfer tangible personal
31 property within the metropolitan area as an incident to a
32 sale of service. The tax imposed under this subsection and
33 all civil penalties that may be assessed as an incident
34 thereof shall be collected and enforced by the Department of

1 Revenue. The Department has full power to administer and
2 enforce this paragraph; to collect all taxes and penalties
3 due hereunder; to dispose of taxes and penalties so collected
4 in the manner hereinafter provided; and to determine all
5 rights to credit memoranda arising on account of the
6 erroneous payment of tax or penalty hereunder. In the
7 administration of, and compliance with this paragraph, the
8 Department and persons who are subject to this paragraph
9 shall (i) have the same rights, remedies, privileges,
10 immunities, powers, and duties, (ii) be subject to the same
11 conditions, restrictions, limitations, penalties, exclusions,
12 exemptions, and definitions of terms, and (iii) employ the
13 same modes of procedure as are prescribed in Sections 2
14 (except that the reference to State in the definition of
15 supplier maintaining a place of business in this State shall
16 mean the metropolitan area), 2a, 2b, 3 through 3-55 (in
17 respect to all provisions therein other than the State rate
18 of tax), 4 (except that the reference to the State shall be
19 to the Authority), 5, 7, 8 (except that the jurisdiction to
20 which the tax shall be a debt to the extent indicated in that
21 Section 8 shall be the Authority), 9 (except as to the
22 disposition of taxes and penalties collected, and except that
23 the returned merchandise credit for this tax may not be taken
24 against any State tax), 11, 12 (except the reference therein
25 to Section 2b of the Retailers' Occupation Tax Act), 13
26 (except that any reference to the State shall mean the
27 Authority), 15, 16, 17, 18, 19 and 20 of the Service
28 Occupation Tax Act and Section 3-7 of the Uniform Penalty and
29 Interest Act, as fully as if those provisions were set forth
30 herein.

31 Beginning in 2001, propane and home heating oil sold to
32 residential customers on or after December 1 and through
33 March 31 of each year are exempt from the tax imposed by this
34 subsection.

1 Beginning in 2002, for bills issued on or after January 1
2 and through April 30 each year, natural gas distributed,
3 supplied, furnished, or sold to residential customers is
4 exempt from the tax imposed by this subsection.

5 Persons subject to any tax imposed under the authority
6 granted in this subsection may reimburse themselves for their
7 serviceman's tax liability by separately stating the tax as
8 an additional charge, which charge may be stated in
9 combination, in a single amount, with State tax that
10 servicemen are authorized to collect under the Service Use
11 Tax Act, in accordance with such bracket schedules as the
12 Department may prescribe.

13 Whenever the Department determines that a refund should
14 be made under this subsection to a claimant instead of
15 issuing a credit memorandum, the Department shall notify the
16 State Comptroller, who shall cause the warrant to be drawn
17 for the amount specified, and to the person named, in the
18 notification from the Department. The refund shall be paid
19 by the State Treasurer out of the tax fund referenced under
20 paragraph (g) of this Section.

21 Nothing in this paragraph shall be construed to authorize
22 the Authority to impose a tax upon the privilege of engaging
23 in any business which under the Constitution of the United
24 States may not be made the subject of taxation by the State.

25 (d) If a tax has been imposed under subsection (b), a
26 use tax shall also be imposed at the same rate upon the
27 privilege of using, in the metropolitan area, any item of
28 tangible personal property that is purchased outside the
29 metropolitan area at retail from a retailer, and that is
30 titled or registered at a location within the metropolitan
31 area with an agency of this State's government. "Selling
32 price" is defined as in the Use Tax Act. The tax shall be
33 collected from persons whose Illinois address for titling or
34 registration purposes is given as being in the metropolitan

1 area. The tax shall be collected by the Department of
2 Revenue for the Authority. The tax must be paid to the State,
3 or an exemption determination must be obtained from the
4 Department of Revenue, before the title or certificate of
5 registration for the property may be issued. The tax or
6 proof of exemption may be transmitted to the Department by
7 way of the State agency with which, or the State officer with
8 whom, the tangible personal property must be titled or
9 registered if the Department and the State agency or State
10 officer determine that this procedure will expedite the
11 processing of applications for title or registration.

12 The Department has full power to administer and enforce
13 this paragraph; to collect all taxes, penalties and interest
14 due hereunder; to dispose of taxes, penalties and interest so
15 collected in the manner hereinafter provided; and to
16 determine all rights to credit memoranda or refunds arising
17 on account of the erroneous payment of tax, penalty or
18 interest hereunder. In the administration of, and compliance
19 with, this subsection, the Department and persons who are
20 subject to this paragraph shall (i) have the same rights,
21 remedies, privileges, immunities, powers, and duties, (ii) be
22 subject to the same conditions, restrictions, limitations,
23 penalties, exclusions, exemptions, and definitions of terms,
24 and (iii) employ the same modes of procedure as are
25 prescribed in Sections 2 (except the definition of "retailer
26 maintaining a place of business in this State"), 3, 3-5,
27 3-10, 3-45, 3-55, 3-65, 3-70, 3-85, 3a, 4, 6, 7, 8 (except
28 that the jurisdiction to which the tax shall be a debt to the
29 extent indicated in that Section 8 shall be the Authority), 9
30 (except provisions relating to quarter monthly payments), 10,
31 11, 12, 12a, 12b, 13, 14, 15, 19, 20, 21, and 22 of the Use
32 Tax Act and Section 3-7 of the Uniform Penalty and Interest
33 Act, that are not inconsistent with this paragraph, as fully
34 as if those provisions were set forth herein.

1 Beginning in 2001, propane and home heating oil sold to
2 residential customers on or after December 1 and through
3 March 31 of each year are exempt from the tax imposed by this
4 subsection.

5 Beginning in 2002, for bills issued on or after January 1
6 and through April 30 each year, natural gas distributed,
7 supplied, furnished, or sold to residential customers is
8 exempt from the tax imposed by this subsection.

9 Whenever the Department determines that a refund should
10 be made under this subsection to a claimant instead of
11 issuing a credit memorandum, the Department shall notify the
12 State Comptroller, who shall cause the order to be drawn for
13 the amount specified, and to the person named, in the
14 notification from the Department. The refund shall be paid by
15 the State Treasurer out of the tax fund referenced under
16 paragraph (g) of this Section.

17 (e) A certificate of registration issued by the State
18 Department of Revenue to a retailer under the Retailers'
19 Occupation Tax Act or under the Service Occupation Tax Act
20 shall permit the registrant to engage in a business that is
21 taxed under the tax imposed under paragraphs (b), (c), or (d)
22 of this Section and no additional registration shall be
23 required. A certificate issued under the Use Tax Act or the
24 Service Use Tax Act shall be applicable with regard to any
25 tax imposed under paragraph (c) of this Section.

26 (f) The results of any election authorizing a
27 proposition to impose a tax under this Section or effecting a
28 change in the rate of tax shall be certified by the proper
29 election authorities and filed with the Illinois Department
30 on or before the first day of April. In addition, an
31 ordinance imposing, discontinuing, or effecting a change in
32 the rate of tax under this Section shall be adopted and a
33 certified copy thereof filed with the Department on or before
34 the first day of April. After proper receipt of such

1 certifications, the Department shall proceed to administer
2 and enforce this Section as of the first day of July next
3 following such adoption and filing.

4 (g) The Department of Revenue shall, upon collecting any
5 taxes and penalties as provided in this Section, pay the
6 taxes and penalties over to the State Treasurer as trustee
7 for the Authority. The taxes and penalties shall be held in a
8 trust fund outside the State Treasury. On or before the 25th
9 day of each calendar month, the Department of Revenue shall
10 prepare and certify to the Comptroller of the State of
11 Illinois the amount to be paid to the Authority, which shall
12 be the balance in the fund, less any amount determined by the
13 Department to be necessary for the payment of refunds. Within
14 10 days after receipt by the Comptroller of the certification
15 of the amount to be paid to the Authority, the Comptroller
16 shall cause an order to be drawn for payment for the amount
17 in accordance with the directions contained in the
18 certification. Amounts received from the tax imposed under
19 this Section shall be used only for the support,
20 construction, maintenance, or financing of a facility of the
21 Authority.

22 (h) When certifying the amount of a monthly disbursement
23 to the Authority under this Section, the Department shall
24 increase or decrease the amounts by an amount necessary to
25 offset any miscalculation of previous disbursements. The
26 offset amount shall be the amount erroneously disbursed
27 within the previous 6 months from the time a miscalculation
28 is discovered.

29 (i) This Section may be cited as the Salem Civic Center
30 Use and Occupation Tax Law.

31 (Source: P.A. 90-328, eff. 1-1-98.)

32 Section 55. The Local Mass Transit District Act is
33 amended by changing Section 5.01 as follows:

1 (70 ILCS 3610/5.01) (from Ch. 111 2/3, par. 355.01)

2 Sec. 5.01. Metro East Mass Transit District; use and
3 occupation taxes.

4 (a) The Board of Trustees of any Metro East Mass Transit
5 District may, by ordinance adopted with the concurrence of
6 two-thirds of the then trustees, impose throughout the
7 District any or all of the taxes and fees provided in this
8 Section. All taxes and fees imposed under this Section shall
9 be used only for public mass transportation systems, and the
10 amount used to provide mass transit service to unserved areas
11 of the District shall be in the same proportion to the total
12 proceeds as the number of persons residing in the unserved
13 areas is to the total population of the District. Except as
14 otherwise provided in this Act, taxes imposed under this
15 Section and civil penalties imposed incident thereto shall be
16 collected and enforced by the State Department of Revenue.
17 The Department shall have the power to administer and enforce
18 the taxes and to determine all rights for refunds for
19 erroneous payments of the taxes.

20 (b) The Board may impose a Metro East Mass Transit
21 District Retailers' Occupation Tax upon all persons engaged
22 in the business of selling tangible personal property at
23 retail in the district at a rate of 1/4 of 1%, or as
24 authorized under subsection (d-5) of this Section, of the
25 gross receipts from the sales made in the course of such
26 business within the district. The tax imposed under this
27 Section and all civil penalties that may be assessed as an
28 incident thereof shall be collected and enforced by the State
29 Department of Revenue. The Department shall have full power
30 to administer and enforce this Section; to collect all taxes
31 and penalties so collected in the manner hereinafter
32 provided; and to determine all rights to credit memoranda
33 arising on account of the erroneous payment of tax or penalty
34 hereunder. In the administration of, and compliance with,

1 this Section, the Department and persons who are subject to
2 this Section shall have the same rights, remedies,
3 privileges, immunities, powers and duties, and be subject to
4 the same conditions, restrictions, limitations, penalties,
5 exclusions, exemptions and definitions of terms and employ
6 the same modes of procedure, as are prescribed in Sections 1,
7 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in respect
8 to all provisions therein other than the State rate of tax),
9 2c, 3 (except as to the disposition of taxes and penalties
10 collected), 4, 5, 5a, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l,
11 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and 14 of the
12 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
13 Penalty and Interest Act, as fully as if those provisions
14 were set forth herein.

15 Beginning in 2001, propane and home heating oil sold to
16 residential customers on or after December 1 and through
17 March 31 of each year are exempt from the tax imposed by this
18 subsection.

19 Beginning in 2002, for bills issued on or after January 1
20 and through April 30 each year, natural gas distributed,
21 supplied, furnished, or sold to residential customers is
22 exempt from the tax imposed by this subsection.

23 Persons subject to any tax imposed under the Section may
24 reimburse themselves for their seller's tax liability
25 hereunder by separately stating the tax as an additional
26 charge, which charge may be stated in combination, in a
27 single amount, with State taxes that sellers are required to
28 collect under the Use Tax Act, in accordance with such
29 bracket schedules as the Department may prescribe.

30 Whenever the Department determines that a refund should
31 be made under this Section to a claimant instead of issuing a
32 credit memorandum, the Department shall notify the State
33 Comptroller, who shall cause the warrant to be drawn for the
34 amount specified, and to the person named, in the

1 notification from the Department. The refund shall be paid
2 by the State Treasurer out of the Metro East Mass Transit
3 District tax fund established under paragraph (g) of this
4 Section.

5 If a tax is imposed under this subsection (b), a tax
6 shall also be imposed under subsections (c) and (d) of this
7 Section.

8 For the purpose of determining whether a tax authorized
9 under this Section is applicable, a retail sale, by a
10 producer of coal or other mineral mined in Illinois, is a
11 sale at retail at the place where the coal or other mineral
12 mined in Illinois is extracted from the earth. This
13 paragraph does not apply to coal or other mineral when it is
14 delivered or shipped by the seller to the purchaser at a
15 point outside Illinois so that the sale is exempt under the
16 Federal Constitution as a sale in interstate or foreign
17 commerce.

18 Nothing in this Section shall be construed to authorize
19 the Metro East Mass Transit District to impose a tax upon the
20 privilege of engaging in any business which under the
21 Constitution of the United States may not be made the subject
22 of taxation by this State.

23 (c) If a tax has been imposed under subsection (b), a
24 Metro East Mass Transit District Service Occupation Tax shall
25 also be imposed upon all persons engaged, in the district, in
26 the business of making sales of service, who, as an incident
27 to making those sales of service, transfer tangible personal
28 property within the District, either in the form of tangible
29 personal property or in the form of real estate as an
30 incident to a sale of service. The tax rate shall be 1/4%, or
31 as authorized under subsection (d-5) of this Section, of the
32 selling price of tangible personal property so transferred
33 within the district. The tax imposed under this paragraph
34 and all civil penalties that may be assessed as an incident

1 thereof shall be collected and enforced by the State
2 Department of Revenue. The Department shall have full power
3 to administer and enforce this paragraph; to collect all
4 taxes and penalties due hereunder; to dispose of taxes and
5 penalties so collected in the manner hereinafter provided;
6 and to determine all rights to credit memoranda arising on
7 account of the erroneous payment of tax or penalty hereunder.
8 In the administration of, and compliance with this paragraph,
9 the Department and persons who are subject to this paragraph
10 shall have the same rights, remedies, privileges, immunities,
11 powers and duties, and be subject to the same conditions,
12 restrictions, limitations, penalties, exclusions, exemptions
13 and definitions of terms and employ the same modes of
14 procedure as are prescribed in Sections 1a-1, 2 (except that
15 the reference to State in the definition of supplier
16 maintaining a place of business in this State shall mean the
17 Authority), 2a, 3 through 3-50 (in respect to all provisions
18 therein other than the State rate of tax), 4 (except that the
19 reference to the State shall be to the Authority), 5, 7, 8
20 (except that the jurisdiction to which the tax shall be a
21 debt to the extent indicated in that Section 8 shall be the
22 District), 9 (except as to the disposition of taxes and
23 penalties collected, and except that the returned merchandise
24 credit for this tax may not be taken against any State tax),
25 10, 11, 12 (except the reference therein to Section 2b of the
26 Retailers' Occupation Tax Act), 13 (except that any reference
27 to the State shall mean the District), the first paragraph of
28 Section 15, 16, 17, 18, 19 and 20 of the Service Occupation
29 Tax Act and Section 3-7 of the Uniform Penalty and Interest
30 Act, as fully as if those provisions were set forth herein.

31 Beginning in 2001, propane and home heating oil sold to
32 residential customers on or after December 1 and through
33 March 31 of each year are exempt from the tax imposed by this
34 subsection.

1 Beginning in 2002, for bills issued on or after January 1
2 and through April 30 each year, natural gas distributed,
3 supplied, furnished, or sold to residential customers is
4 exempt from the tax imposed by this subsection.

5 Persons subject to any tax imposed under the authority
6 granted in this paragraph may reimburse themselves for their
7 serviceman's tax liability hereunder by separately stating
8 the tax as an additional charge, which charge may be stated
9 in combination, in a single amount, with State tax that
10 servicemen are authorized to collect under the Service Use
11 Tax Act, in accordance with such bracket schedules as the
12 Department may prescribe.

13 Whenever the Department determines that a refund should
14 be made under this paragraph to a claimant instead of issuing
15 a credit memorandum, the Department shall notify the State
16 Comptroller, who shall cause the warrant to be drawn for the
17 amount specified, and to the person named, in the
18 notification from the Department. The refund shall be paid
19 by the State Treasurer out of the Metro East Mass Transit
20 District tax fund established under paragraph (g) of this
21 Section.

22 Nothing in this paragraph shall be construed to authorize
23 the District to impose a tax upon the privilege of engaging
24 in any business which under the Constitution of the United
25 States may not be made the subject of taxation by the State.

26 (d) If a tax has been imposed under subsection (b), a
27 Metro East Mass Transit District Use Tax shall also be
28 imposed upon the privilege of using, in the district, any
29 item of tangible personal property that is purchased outside
30 the district at retail from a retailer, and that is titled or
31 registered with an agency of this State's government, at a
32 rate of 1/4%, or as authorized under subsection (d-5) of this
33 Section, of the selling price of the tangible personal
34 property within the District, as "selling price" is defined

1 in the Use Tax Act. The tax shall be collected from persons
2 whose Illinois address for titling or registration purposes
3 is given as being in the District. The tax shall be
4 collected by the Department of Revenue for the Metro East
5 Mass Transit District. The tax must be paid to the State, or
6 an exemption determination must be obtained from the
7 Department of Revenue, before the title or certificate of
8 registration for the property may be issued. The tax or
9 proof of exemption may be transmitted to the Department by
10 way of the State agency with which, or the State officer with
11 whom, the tangible personal property must be titled or
12 registered if the Department and the State agency or State
13 officer determine that this procedure will expedite the
14 processing of applications for title or registration.

15 The Department shall have full power to administer and
16 enforce this paragraph; to collect all taxes, penalties and
17 interest due hereunder; to dispose of taxes, penalties and
18 interest so collected in the manner hereinafter provided; and
19 to determine all rights to credit memoranda or refunds
20 arising on account of the erroneous payment of tax, penalty
21 or interest hereunder. In the administration of, and
22 compliance with, this paragraph, the Department and persons
23 who are subject to this paragraph shall have the same rights,
24 remedies, privileges, immunities, powers and duties, and be
25 subject to the same conditions, restrictions, limitations,
26 penalties, exclusions, exemptions and definitions of terms
27 and employ the same modes of procedure, as are prescribed in
28 Sections 2 (except the definition of "retailer maintaining a
29 place of business in this State"), 3 through 3-80 (except
30 provisions pertaining to the State rate of tax, and except
31 provisions concerning collection or refunding of the tax by
32 retailers), 4, 11, 12, 12a, 14, 15, 19 (except the portions
33 pertaining to claims by retailers and except the last
34 paragraph concerning refunds), 20, 21 and 22 of the Use Tax

1 Act and Section 3-7 of the Uniform Penalty and Interest Act,
2 that are not inconsistent with this paragraph, as fully as if
3 those provisions were set forth herein.

4 Beginning in 2001, propane and home heating oil sold to
5 residential customers on or after December 1 and through
6 March 31 of each year are exempt from the tax imposed by this
7 subsection.

8 Beginning in 2002, for bills issued on or after January 1
9 and through April 30 each year, natural gas distributed,
10 supplied, furnished, or sold to residential customers is
11 exempt from the tax imposed by this subsection.

12 Whenever the Department determines that a refund should
13 be made under this paragraph to a claimant instead of issuing
14 a credit memorandum, the Department shall notify the State
15 Comptroller, who shall cause the order to be drawn for the
16 amount specified, and to the person named, in the
17 notification from the Department. The refund shall be paid by
18 the State Treasurer out of the Metro East Mass Transit
19 District tax fund established under paragraph (g) of this
20 Section.

21 (d-5) The county board of any county participating in
22 the Metro East Mass Transit District may authorize, by
23 ordinance, a referendum on the question of whether the tax
24 rates for the Metro East Mass Transit District Retailers'
25 Occupation Tax, the Metro East Mass Transit District Service
26 Occupation Tax, and the Metro East Mass Transit District Use
27 Tax for the District should be increased from 0.25% to 0.75%.
28 Upon adopting the ordinance, the county board shall certify
29 the proposition to the proper election officials who shall
30 submit the proposition to the voters of the District at the
31 next election, in accordance with the general election law.

32 The proposition shall be in substantially the following
33 form:

34 Shall the tax rates for the Metro East Mass Transit

1 District Retailers' Occupation Tax, the Metro East Mass
2 Transit District Service Occupation Tax, and the Metro
3 East Mass Transit District Use Tax be increased from
4 0.25% to 0.75%?

5 The votes shall be recorded as "YES" or "NO". If a
6 majority of all votes cast on the proposition are for the
7 increase in the tax rates, the Metro East Mass Transit
8 District shall begin imposing the increased rates in the
9 District, and the Department of Revenue shall begin
10 collecting the increased amounts, as provided under this
11 Section. An ordinance imposing or discontinuing a tax
12 hereunder or effecting a change in the rate thereof shall be
13 adopted and a certified copy thereof filed with the
14 Department on or before the first day of October, whereupon
15 the Department shall proceed to administer and enforce this
16 Section as of the first day of January next following the
17 adoption and filing.

18 If the voters have approved a referendum under this
19 subsection, before November 1, 1994, to increase the tax rate
20 under this subsection, the Metro East Mass Transit District
21 Board of Trustees may adopt by a majority vote an ordinance
22 at any time before January 1, 1995 that excludes from the
23 rate increase tangible personal property that is titled or
24 registered with an agency of this State's government. The
25 ordinance excluding titled or registered tangible personal
26 property from the rate increase must be filed with the
27 Department at least 15 days before its effective date. At any
28 time after adopting an ordinance excluding from the rate
29 increase tangible personal property that is titled or
30 registered with an agency of this State's government, the
31 Metro East Mass Transit District Board of Trustees may adopt
32 an ordinance applying the rate increase to that tangible
33 personal property. The ordinance shall be adopted, and a
34 certified copy of that ordinance shall be filed with the

1 Department, on or before October 1, whereupon the Department
2 shall proceed to administer and enforce the rate increase
3 against tangible personal property titled or registered with
4 an agency of this State's government as of the following
5 January 1. After December 31, 1995, any reimposed rate
6 increase in effect under this subsection shall no longer
7 apply to tangible personal property titled or registered with
8 an agency of this State's government. Beginning January 1,
9 1996, the Board of Trustees of any Metro East Mass Transit
10 District may never reimpose a previously excluded tax rate
11 increase on tangible personal property titled or registered
12 with an agency of this State's government.

13 (d-6) If the Board of Trustees of any Metro East Mass
14 Transit District has imposed a rate increase under subsection
15 (d-5) and filed an ordinance with the Department of Revenue
16 excluding titled property from the higher rate, then that
17 Board may, by ordinance adopted with the concurrence of
18 two-thirds of the then trustees, impose throughout the
19 District a fee. The fee on the excluded property shall not
20 exceed \$20 per retail transaction or an amount equal to the
21 amount of tax excluded, whichever is less, on tangible
22 personal property that is titled or registered with an agency
23 of this State's government. The Board of Trustees of any
24 Metro East Mass Transit District shall have full power to
25 administer and enforce this subsection and to determine all
26 rights to credit memoranda or refunds arising on account of
27 the erroneous payment of the fee hereunder. The Board shall
28 proceed to administer and enforce this subsection as of the
29 first day of the second month following the adoption of the
30 ordinance.

31 (d-7) If a fee has been imposed under subsection (d-6),
32 a fee shall also be imposed upon the privilege of using, in
33 the district, any item of tangible personal property that is
34 titled or registered with any agency of this State's

1 government, in an amount equal to the amount of the fee
2 imposed under subsection (d-6). The Board of Trustees of any
3 Metro East Mass Transit District shall have full power to
4 administer and enforce this subsection and to determine all
5 rights to credit memoranda or refunds arising on account of
6 the erroneous payment of the fee hereunder. The Board shall
7 proceed to administer and enforce this subsection
8 concurrently with the administration of the fee imposed under
9 subsection (d-6).

10 (d-8) No item of titled property shall be subject to
11 both the higher rate approved by referendum, as authorized
12 under subsection (d-5), and any fee imposed under subsection
13 (d-6) or (d-7).

14 (d-9) If fees have been imposed under subsections (d-6)
15 and (d-7), the Board shall forward a copy of the ordinance
16 adopting such fees, which shall include all zip codes in
17 whole or in part within the boundaries of the district, to
18 the Secretary of State within thirty days. By the 25th of
19 each month, the Secretary of State shall subsequently provide
20 the Board with a list of identifiable retail transactions
21 subject to the .25% rate occurring within the zip codes which
22 are in whole or in part within the boundaries of the district
23 and a list of title applications for addresses within the
24 boundaries of the district for the previous month.

25 (d-10) In the event that a retailer fails to pay
26 applicable fees within 30 days of the date of the
27 transaction, a penalty shall be assessed at the rate of 25%
28 of the amount of fees. Interest on both late fees and
29 penalties shall be assessed at the rate of 1% per month. All
30 fees, penalties, and attorney fees shall constitute a lien on
31 the personal and real property of the retailer. The Board of
32 Trustees of any Metro East Transit District shall have full
33 power to administer and enforce this subsection.

34 (e) A certificate of registration issued by the State

1 Department of Revenue to a retailer under the Retailers'
2 Occupation Tax Act or under the Service Occupation Tax Act
3 shall permit the registrant to engage in a business that is
4 taxed under the tax imposed under paragraphs (b), (c) or (d)
5 of this Section and no additional registration shall be
6 required under the tax. A certificate issued under the Use
7 Tax Act or the Service Use Tax Act shall be applicable with
8 regard to any tax imposed under paragraph (c) of this
9 Section.

10 (f) The Board may impose a replacement vehicle tax of
11 \$50 on any passenger car, as defined in Section 1-157 of the
12 Illinois Vehicle Code, purchased within the district area by
13 or on behalf of an insurance company to replace a passenger
14 car of an insured person in settlement of a total loss claim.
15 The tax imposed may not become effective before the first day
16 of the month following the passage of the ordinance imposing
17 the tax and receipt of a certified copy of the ordinance by
18 the Department of Revenue. The Department of Revenue shall
19 collect the tax for the district in accordance with Sections
20 3-2002 and 3-2003 of the Illinois Vehicle Code.

21 The Department shall immediately pay over to the State
22 Treasurer, ex officio, as trustee, all taxes collected
23 hereunder. On or before the 25th day of each calendar month,
24 the Department shall prepare and certify to the Comptroller
25 the disbursement of stated sums of money to named districts,
26 the districts to be those from which retailers have paid
27 taxes or penalties hereunder to the Department during the
28 second preceding calendar month. The amount to be paid to
29 each district shall be the amount collected hereunder during
30 the second preceding calendar month by the Department, less
31 any amount determined by the Department to be necessary for
32 the payment of refunds. Within 10 days after receipt by the
33 Comptroller of the disbursement certification to the
34 districts, provided for in this Section to be given to the

1 Comptroller by the Department, the Comptroller shall cause
2 the orders to be drawn for the respective amounts in
3 accordance with the directions contained in the
4 certification.

5 (g) Any ordinance imposing or discontinuing any tax
6 under this Section shall be adopted and a certified copy
7 thereof filed with the Department on or before June 1,
8 whereupon the Department of Revenue shall proceed to
9 administer and enforce this Section on behalf of the Metro
10 East Mass Transit District as of September 1 next following
11 such adoption and filing. Beginning January 1, 1992, an
12 ordinance or resolution imposing or discontinuing the tax
13 hereunder shall be adopted and a certified copy thereof filed
14 with the Department on or before the first day of July,
15 whereupon the Department shall proceed to administer and
16 enforce this Section as of the first day of October next
17 following such adoption and filing. Beginning January 1,
18 1993, except as provided in subsection (d-5) of this Section,
19 an ordinance or resolution imposing or discontinuing the tax
20 hereunder shall be adopted and a certified copy thereof filed
21 with the Department on or before the first day of October,
22 whereupon the Department shall proceed to administer and
23 enforce this Section as of the first day of January next
24 following such adoption and filing.

25 (h) The State Department of Revenue shall, upon
26 collecting any taxes as provided in this Section, pay the
27 taxes over to the State Treasurer as trustee for the
28 District. The taxes shall be held in a trust fund outside the
29 State Treasury. On or before the 25th day of each calendar
30 month, the State Department of Revenue shall prepare and
31 certify to the Comptroller of the State of Illinois the
32 amount to be paid to the District, which shall be the then
33 balance in the fund, less any amount determined by the
34 Department to be necessary for the payment of refunds. Within

1 10 days after receipt by the Comptroller of the certification
2 of the amount to be paid to the District, the Comptroller
3 shall cause an order to be drawn for payment for the amount
4 in accordance with the direction in the certification.

5 (Source: P.A. 91-51, eff. 6-30-99.)

6 Section 60. The Regional Transportation Authority Act is
7 amended by changing Section 4.03 as follows:

8 (70 ILCS 3615/4.03) (from Ch. 111 2/3, par. 704.03)

9 Sec. 4.03. Taxes.

10 (a) In order to carry out any of the powers or purposes
11 of the Authority, the Board may by ordinance adopted with the
12 concurrence of 9 of the then Directors, impose throughout the
13 metropolitan region any or all of the taxes provided in this
14 Section. Except as otherwise provided in this Act, taxes
15 imposed under this Section and civil penalties imposed
16 incident thereto shall be collected and enforced by the State
17 Department of Revenue. The Department shall have the power to
18 administer and enforce the taxes and to determine all rights
19 for refunds for erroneous payments of the taxes.

20 (b) The Board may impose a public transportation tax
21 upon all persons engaged in the metropolitan region in the
22 business of selling at retail motor fuel for operation of
23 motor vehicles upon public highways. The tax shall be at a
24 rate not to exceed 5% of the gross receipts from the sales of
25 motor fuel in the course of the business. As used in this
26 Act, the term "motor fuel" shall have the same meaning as in
27 the Motor Fuel Tax Act. The Board may provide for details of
28 the tax. The provisions of any tax shall conform, as closely
29 as may be practicable, to the provisions of the Municipal
30 Retailers Occupation Tax Act, including without limitation,
31 conformity to penalties with respect to the tax imposed and
32 as to the powers of the State Department of Revenue to

1 promulgate and enforce rules and regulations relating to the
2 administration and enforcement of the provisions of the tax
3 imposed, except that reference in the Act to any municipality
4 shall refer to the Authority and the tax shall be imposed
5 only with regard to receipts from sales of motor fuel in the
6 metropolitan region, at rates as limited by this Section.

7 Beginning in 2001, propane and home heating oil sold to
8 residential customers on or after December 1 and through
9 March 31 of each year are exempt from the tax imposed by this
10 subsection.

11 Beginning in 2002, for bills issued on or after January 1
12 and through April 30 each year, natural gas distributed,
13 supplied, furnished, or sold to residential customers is
14 exempt from the tax imposed by this subsection.

15 (c) In connection with the tax imposed under paragraph
16 (b) of this Section the Board may impose a tax upon the
17 privilege of using in the metropolitan region motor fuel for
18 the operation of a motor vehicle upon public highways, the
19 tax to be at a rate not in excess of the rate of tax imposed
20 under paragraph (b) of this Section. The Board may provide
21 for details of the tax.

22 Beginning in 2001, propane and home heating oil sold to
23 residential customers on or after December 1 and through
24 March 31 of each year are exempt from the tax imposed by this
25 subsection.

26 Beginning in 2002, for bills issued on or after January 1
27 and through April 30 each year, natural gas distributed,
28 supplied, furnished, or sold to residential customers is
29 exempt from the tax imposed by this subsection.

30 (d) The Board may impose a motor vehicle parking tax
31 upon the privilege of parking motor vehicles at off-street
32 parking facilities in the metropolitan region at which a fee
33 is charged, and may provide for reasonable classifications in
34 and exemptions to the tax, for administration and enforcement

1 thereof and for civil penalties and refunds thereunder and
2 may provide criminal penalties thereunder, the maximum
3 penalties not to exceed the maximum criminal penalties
4 provided in the Retailers' Occupation Tax Act. The Authority
5 may collect and enforce the tax itself or by contract with
6 any unit of local government. The State Department of
7 Revenue shall have no responsibility for the collection and
8 enforcement unless the Department agrees with the Authority
9 to undertake the collection and enforcement. As used in this
10 paragraph, the term "parking facility" means a parking area
11 or structure having parking spaces for more than 2 vehicles
12 at which motor vehicles are permitted to park in return for
13 an hourly, daily, or other periodic fee, whether publicly or
14 privately owned, but does not include parking spaces on a
15 public street, the use of which is regulated by parking
16 meters.

17 (e) The Board may impose a Regional Transportation
18 Authority Retailers' Occupation Tax upon all persons engaged
19 in the business of selling tangible personal property at
20 retail in the metropolitan region. In Cook County the tax
21 rate shall be 1% of the gross receipts from sales of food for
22 human consumption that is to be consumed off the premises
23 where it is sold (other than alcoholic beverages, soft drinks
24 and food that has been prepared for immediate consumption)
25 and prescription and nonprescription medicines, drugs,
26 medical appliances and insulin, urine testing materials,
27 syringes and needles used by diabetics, and 3/4% of the gross
28 receipts from other taxable sales made in the course of that
29 business. In DuPage, Kane, Lake, McHenry, and Will Counties,
30 the tax rate shall be 1/4% of the gross receipts from all
31 taxable sales made in the course of that business. The tax
32 imposed under this Section and all civil penalties that may
33 be assessed as an incident thereof shall be collected and
34 enforced by the State Department of Revenue. The Department

1 shall have full power to administer and enforce this Section;
2 to collect all taxes and penalties so collected in the manner
3 hereinafter provided; and to determine all rights to credit
4 memoranda arising on account of the erroneous payment of tax
5 or penalty hereunder. In the administration of, and
6 compliance with this Section, the Department and persons who
7 are subject to this Section shall have the same rights,
8 remedies, privileges, immunities, powers and duties, and be
9 subject to the same conditions, restrictions, limitations,
10 penalties, exclusions, exemptions and definitions of terms,
11 and employ the same modes of procedure, as are prescribed in
12 Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65
13 (in respect to all provisions therein other than the State
14 rate of tax), 2c, 3 (except as to the disposition of taxes
15 and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g,
16 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12 and 13
17 of the Retailers' Occupation Tax Act and Section 3-7 of the
18 Uniform Penalty and Interest Act, as fully as if those
19 provisions were set forth herein.

20 Beginning in 2001, propane and home heating oil sold to
21 residential customers on or after December 1 and through
22 March 31 of each year are exempt from the tax imposed by this
23 subsection.

24 Beginning in 2002, for bills issued on or after January 1
25 and through April 30 each year, natural gas distributed,
26 supplied, furnished, or sold to residential customers is
27 exempt from the tax imposed by this subsection.

28 Persons subject to any tax imposed under the authority
29 granted in this Section may reimburse themselves for their
30 seller's tax liability hereunder by separately stating the
31 tax as an additional charge, which charge may be stated in
32 combination in a single amount with State taxes that sellers
33 are required to collect under the Use Tax Act, under any
34 bracket schedules the Department may prescribe.

1 Whenever the Department determines that a refund should
2 be made under this Section to a claimant instead of issuing a
3 credit memorandum, the Department shall notify the State
4 Comptroller, who shall cause the warrant to be drawn for the
5 amount specified, and to the person named, in the
6 notification from the Department. The refund shall be paid
7 by the State Treasurer out of the Regional Transportation
8 Authority tax fund established under paragraph (n) of this
9 Section.

10 If a tax is imposed under this subsection (e), a tax
11 shall also be imposed under subsections (f) and (g) of this
12 Section.

13 For the purpose of determining whether a tax authorized
14 under this Section is applicable, a retail sale by a producer
15 of coal or other mineral mined in Illinois, is a sale at
16 retail at the place where the coal or other mineral mined in
17 Illinois is extracted from the earth. This paragraph does not
18 apply to coal or other mineral when it is delivered or
19 shipped by the seller to the purchaser at a point outside
20 Illinois so that the sale is exempt under the Federal
21 Constitution as a sale in interstate or foreign commerce.

22 Nothing in this Section shall be construed to authorize
23 the Regional Transportation Authority to impose a tax upon
24 the privilege of engaging in any business that under the
25 Constitution of the United States may not be made the subject
26 of taxation by this State.

27 (f) If a tax has been imposed under paragraph (e), a tax
28 shall also be imposed upon all persons engaged, in the
29 metropolitan region in the business of making sales of
30 service, who as an incident to making the sales of service,
31 transfer tangible personal property within the metropolitan
32 region, either in the form of tangible personal property or
33 in the form of real estate as an incident to a sale of
34 service. In Cook County, the tax rate shall be: (1) 1% of

1 the serviceman's cost price of food prepared for immediate
2 consumption and transferred incident to a sale of service
3 subject to the service occupation tax by an entity licensed
4 under the Hospital Licensing Act or the Nursing Home Care Act
5 that is located in the metropolitan region; (2) 1% of the
6 selling price of food for human consumption that is to be
7 consumed off the premises where it is sold (other than
8 alcoholic beverages, soft drinks and food that has been
9 prepared for immediate consumption) and prescription and
10 nonprescription medicines, drugs, medical appliances and
11 insulin, urine testing materials, syringes and needles used
12 by diabetics; and (3) 3/4% of the selling price from other
13 taxable sales of tangible personal property transferred. In
14 DuPage, Kane, Lake, McHenry and Will Counties the rate shall
15 be 1/4% of the selling price of all tangible personal
16 property transferred.

17 The tax imposed under this paragraph and all civil
18 penalties that may be assessed as an incident thereof shall
19 be collected and enforced by the State Department of Revenue.
20 The Department shall have full power to administer and
21 enforce this paragraph; to collect all taxes and penalties
22 due hereunder; to dispose of taxes and penalties collected in
23 the manner hereinafter provided; and to determine all rights
24 to credit memoranda arising on account of the erroneous
25 payment of tax or penalty hereunder. In the administration
26 of and compliance with this paragraph, the Department and
27 persons who are subject to this paragraph shall have the same
28 rights, remedies, privileges, immunities, powers and duties,
29 and be subject to the same conditions, restrictions,
30 limitations, penalties, exclusions, exemptions and
31 definitions of terms, and employ the same modes of procedure,
32 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in
33 respect to all provisions therein other than the State rate
34 of tax), 4 (except that the reference to the State shall be

1 to the Authority), 5, 7, 8 (except that the jurisdiction to
2 which the tax shall be a debt to the extent indicated in that
3 Section 8 shall be the Authority), 9 (except as to the
4 disposition of taxes and penalties collected, and except that
5 the returned merchandise credit for this tax may not be taken
6 against any State tax), 10, 11, 12 (except the reference
7 therein to Section 2b of the Retailers' Occupation Tax Act),
8 13 (except that any reference to the State shall mean the
9 Authority), the first paragraph of Section 15, 16, 17, 18, 19
10 and 20 of the Service Occupation Tax Act and Section 3-7 of
11 the Uniform Penalty and Interest Act, as fully as if those
12 provisions were set forth herein.

13 Beginning in 2001, propane and home heating oil sold to
14 residential customers on or after December 1 and through
15 March 31 of each year are exempt from the tax imposed by this
16 subsection.

17 Beginning in 2002, for bills issued on or after January 1
18 and through April 30 each year, natural gas distributed,
19 supplied, furnished, or sold to residential customers is
20 exempt from the tax imposed by this subsection.

21 Persons subject to any tax imposed under the authority
22 granted in this paragraph may reimburse themselves for their
23 serviceman's tax liability hereunder by separately stating
24 the tax as an additional charge, that charge may be stated in
25 combination in a single amount with State tax that servicemen
26 are authorized to collect under the Service Use Tax Act,
27 under any bracket schedules the Department may prescribe.

28 Whenever the Department determines that a refund should
29 be made under this paragraph to a claimant instead of issuing
30 a credit memorandum, the Department shall notify the State
31 Comptroller, who shall cause the warrant to be drawn for the
32 amount specified, and to the person named in the notification
33 from the Department. The refund shall be paid by the State
34 Treasurer out of the Regional Transportation Authority tax

1 fund established under paragraph (n) of this Section.

2 Nothing in this paragraph shall be construed to authorize
3 the Authority to impose a tax upon the privilege of engaging
4 in any business that under the Constitution of the United
5 States may not be made the subject of taxation by the State.

6 (g) If a tax has been imposed under paragraph (e), a tax
7 shall also be imposed upon the privilege of using in the
8 metropolitan region, any item of tangible personal property
9 that is purchased outside the metropolitan region at retail
10 from a retailer, and that is titled or registered with an
11 agency of this State's government. In Cook County the tax
12 rate shall be 3/4% of the selling price of the tangible
13 personal property, as "selling price" is defined in the Use
14 Tax Act. In DuPage, Kane, Lake, McHenry and Will counties
15 the tax rate shall be 1/4% of the selling price of the
16 tangible personal property, as "selling price" is defined in
17 the Use Tax Act. The tax shall be collected from persons
18 whose Illinois address for titling or registration purposes
19 is given as being in the metropolitan region. The tax shall
20 be collected by the Department of Revenue for the Regional
21 Transportation Authority. The tax must be paid to the State,
22 or an exemption determination must be obtained from the
23 Department of Revenue, before the title or certificate of
24 registration for the property may be issued. The tax or proof
25 of exemption may be transmitted to the Department by way of
26 the State agency with which, or the State officer with whom,
27 the tangible personal property must be titled or registered
28 if the Department and the State agency or State officer
29 determine that this procedure will expedite the processing of
30 applications for title or registration.

31 The Department shall have full power to administer and
32 enforce this paragraph; to collect all taxes, penalties and
33 interest due hereunder; to dispose of taxes, penalties and
34 interest collected in the manner hereinafter provided; and to

1 determine all rights to credit memoranda or refunds arising
2 on account of the erroneous payment of tax, penalty or
3 interest hereunder. In the administration of and compliance
4 with this paragraph, the Department and persons who are
5 subject to this paragraph shall have the same rights,
6 remedies, privileges, immunities, powers and duties, and be
7 subject to the same conditions, restrictions, limitations,
8 penalties, exclusions, exemptions and definitions of terms
9 and employ the same modes of procedure, as are prescribed in
10 Sections 2 (except the definition of "retailer maintaining a
11 place of business in this State"), 3 through 3-80 (except
12 provisions pertaining to the State rate of tax, and except
13 provisions concerning collection or refunding of the tax by
14 retailers), 4, 11, 12, 12a, 14, 15, 19 (except the portions
15 pertaining to claims by retailers and except the last
16 paragraph concerning refunds), 20, 21 and 22 of the Use Tax
17 Act, and are not inconsistent with this paragraph, as fully
18 as if those provisions were set forth herein.

19 Beginning in 2001, propane and home heating oil sold to
20 residential customers on or after December 1 and through
21 March 31 of each year are exempt from the tax imposed by this
22 subsection.

23 Beginning in 2002, for bills issued on or after January 1
24 and through April 30 each year, natural gas distributed,
25 supplied, furnished, or sold to residential customers is
26 exempt from the tax imposed by this subsection.

27 Whenever the Department determines that a refund should
28 be made under this paragraph to a claimant instead of issuing
29 a credit memorandum, the Department shall notify the State
30 Comptroller, who shall cause the order to be drawn for the
31 amount specified, and to the person named in the notification
32 from the Department. The refund shall be paid by the State
33 Treasurer out of the Regional Transportation Authority tax
34 fund established under paragraph (n) of this Section.

1 (h) The Authority may impose a replacement vehicle tax
2 of \$50 on any passenger car as defined in Section 1-157 of
3 the Illinois Vehicle Code purchased within the metropolitan
4 region by or on behalf of an insurance company to replace a
5 passenger car of an insured person in settlement of a total
6 loss claim. The tax imposed may not become effective before
7 the first day of the month following the passage of the
8 ordinance imposing the tax and receipt of a certified copy of
9 the ordinance by the Department of Revenue. The Department
10 of Revenue shall collect the tax for the Authority in
11 accordance with Sections 3-2002 and 3-2003 of the Illinois
12 Vehicle Code.

13 The Department shall immediately pay over to the State
14 Treasurer, ex officio, as trustee, all taxes collected
15 hereunder. On or before the 25th day of each calendar month,
16 the Department shall prepare and certify to the Comptroller
17 the disbursement of stated sums of money to the Authority.
18 The amount to be paid to the Authority shall be the amount
19 collected hereunder during the second preceding calendar
20 month by the Department, less any amount determined by the
21 Department to be necessary for the payment of refunds.
22 Within 10 days after receipt by the Comptroller of the
23 disbursement certification to the Authority provided for in
24 this Section to be given to the Comptroller by the
25 Department, the Comptroller shall cause the orders to be
26 drawn for that amount in accordance with the directions
27 contained in the certification.

28 (i) The Board may not impose any other taxes except as
29 it may from time to time be authorized by law to impose.

30 (j) A certificate of registration issued by the State
31 Department of Revenue to a retailer under the Retailers'
32 Occupation Tax Act or under the Service Occupation Tax Act
33 shall permit the registrant to engage in a business that is
34 taxed under the tax imposed under paragraphs (b), (e), (f) or

1 (g) of this Section and no additional registration shall be
2 required under the tax. A certificate issued under the Use
3 Tax Act or the Service Use Tax Act shall be applicable with
4 regard to any tax imposed under paragraph (c) of this
5 Section.

6 (k) The provisions of any tax imposed under paragraph
7 (c) of this Section shall conform as closely as may be
8 practicable to the provisions of the Use Tax Act, including
9 without limitation conformity as to penalties with respect to
10 the tax imposed and as to the powers of the State Department
11 of Revenue to promulgate and enforce rules and regulations
12 relating to the administration and enforcement of the
13 provisions of the tax imposed. The taxes shall be imposed
14 only on use within the metropolitan region and at rates as
15 provided in the paragraph.

16 (l) The Board in imposing any tax as provided in
17 paragraphs (b) and (c) of this Section, shall, after seeking
18 the advice of the State Department of Revenue, provide means
19 for retailers, users or purchasers of motor fuel for purposes
20 other than those with regard to which the taxes may be
21 imposed as provided in those paragraphs to receive refunds of
22 taxes improperly paid, which provisions may be at variance
23 with the refund provisions as applicable under the Municipal
24 Retailers Occupation Tax Act. The State Department of
25 Revenue may provide for certificates of registration for
26 users or purchasers of motor fuel for purposes other than
27 those with regard to which taxes may be imposed as provided
28 in paragraphs (b) and (c) of this Section to facilitate the
29 reporting and nontaxability of the exempt sales or uses.

30 (m) Any ordinance imposing or discontinuing any tax
31 under this Section shall be adopted and a certified copy
32 thereof filed with the Department on or before June 1,
33 whereupon the Department of Revenue shall proceed to
34 administer and enforce this Section on behalf of the Regional

1 Transportation Authority as of September 1 next following
2 such adoption and filing. Beginning January 1, 1992, an
3 ordinance or resolution imposing or discontinuing the tax
4 hereunder shall be adopted and a certified copy thereof filed
5 with the Department on or before the first day of July,
6 whereupon the Department shall proceed to administer and
7 enforce this Section as of the first day of October next
8 following such adoption and filing. Beginning January 1,
9 1993, an ordinance or resolution imposing or discontinuing
10 the tax hereunder shall be adopted and a certified copy
11 thereof filed with the Department on or before the first day
12 of October, whereupon the Department shall proceed to
13 administer and enforce this Section as of the first day of
14 January next following such adoption and filing.

15 (n) The State Department of Revenue shall, upon
16 collecting any taxes as provided in this Section, pay the
17 taxes over to the State Treasurer as trustee for the
18 Authority. The taxes shall be held in a trust fund outside
19 the State Treasury. On or before the 25th day of each
20 calendar month, the State Department of Revenue shall prepare
21 and certify to the Comptroller of the State of Illinois the
22 amount to be paid to the Authority, which shall be the then
23 balance in the fund, less any amount determined by the
24 Department to be necessary for the payment of refunds. The
25 State Department of Revenue shall also certify to the
26 Authority the amount of taxes collected in each County other
27 than Cook County in the metropolitan region less the amount
28 necessary for the payment of refunds to taxpayers in the
29 County. With regard to the County of Cook, the certification
30 shall specify the amount of taxes collected within the City
31 of Chicago less the amount necessary for the payment of
32 refunds to taxpayers in the City of Chicago and the amount
33 collected in that portion of Cook County outside of Chicago
34 less the amount necessary for the payment of refunds to

1 taxpayers in that portion of Cook County outside of Chicago.
2 Within 10 days after receipt by the Comptroller of the
3 certification of the amount to be paid to the Authority, the
4 Comptroller shall cause an order to be drawn for the payment
5 for the amount in accordance with the direction in the
6 certification.

7 In addition to the disbursement required by the preceding
8 paragraph, an allocation shall be made in July 1991 and each
9 year thereafter to the Regional Transportation Authority.
10 The allocation shall be made in an amount equal to the
11 average monthly distribution during the preceding calendar
12 year (excluding the 2 months of lowest receipts) and the
13 allocation shall include the amount of average monthly
14 distribution from the Regional Transportation Authority
15 Occupation and Use Tax Replacement Fund. The distribution
16 made in July 1992 and each year thereafter under this
17 paragraph and the preceding paragraph shall be reduced by the
18 amount allocated and disbursed under this paragraph in the
19 preceding calendar year. The Department of Revenue shall
20 prepare and certify to the Comptroller for disbursement the
21 allocations made in accordance with this paragraph.

22 (o) Failure to adopt a budget ordinance or otherwise to
23 comply with Section 4.01 of this Act or to adopt a Five-year
24 Program or otherwise to comply with paragraph (b) of Section
25 2.01 of this Act shall not affect the validity of any tax
26 imposed by the Authority otherwise in conformity with law.

27 (p) At no time shall a public transportation tax or
28 motor vehicle parking tax authorized under paragraphs (b),
29 (c) and (d) of this Section be in effect at the same time as
30 any retailers' occupation, use or service occupation tax
31 authorized under paragraphs (e), (f) and (g) of this Section
32 is in effect.

33 Any taxes imposed under the authority provided in
34 paragraphs (b), (c) and (d) shall remain in effect only until

1 the time as any tax authorized by paragraphs (e), (f) or (g)
 2 of this Section are imposed and becomes effective. Once any
 3 tax authorized by paragraphs (e), (f) or (g) is imposed the
 4 Board may not reimpose taxes as authorized in paragraphs (b),
 5 (c) and (d) of the Section unless any tax authorized by
 6 paragraphs (e), (f) or (g) of this Section becomes
 7 ineffective by means other than an ordinance of the Board.

8 (q) Any existing rights, remedies and obligations
 9 (including enforcement by the Regional Transportation
 10 Authority) arising under any tax imposed under paragraphs
 11 (b), (c) or (d) of this Section shall not be affected by the
 12 imposition of a tax under paragraphs (e), (f) or (g) of this
 13 Section.

14 (Source: P.A. 91-51, eff. 6-30-99.)

15 Section 65. The Water Commission Act of 1985 is amended
 16 by changing Section 4 as follows:

17 (70 ILCS 3720/4) (from Ch. 111 2/3, par. 254)

18 Sec. 4. Taxes.

19 (a) The board of commissioners of any county water
 20 commission may, by ordinance, impose throughout the territory
 21 of the commission any or all of the taxes provided in this
 22 Section for its corporate purposes. However, no county water
 23 commission may impose any such tax unless the commission
 24 certifies the proposition of imposing the tax to the proper
 25 election officials, who shall submit the proposition to the
 26 voters residing in the territory at an election in accordance
 27 with the general election law, and the proposition has been
 28 approved by a majority of those voting on the proposition.

29 The proposition shall be in the form provided in Section
 30 5 or shall be substantially in the following form:

31 -----

32 Shall the (insert corporate

1 name of county water commission) YES
 2 impose (state type of tax or -----
 3 taxes to be imposed) at the NO
 4 rate of 1/4%?
 5 -----

6 Taxes imposed under this Section and civil penalties
 7 imposed incident thereto shall be collected and enforced by
 8 the State Department of Revenue. The Department shall have
 9 the power to administer and enforce the taxes and to
 10 determine all rights for refunds for erroneous payments of
 11 the taxes.

12 (b) The board of commissioners may impose a County Water
 13 Commission Retailers' Occupation Tax upon all persons engaged
 14 in the business of selling tangible personal property at
 15 retail in the territory of the commission at a rate of 1/4%
 16 of the gross receipts from the sales made in the course of
 17 such business within the territory. The tax imposed under
 18 this paragraph and all civil penalties that may be assessed
 19 as an incident thereof shall be collected and enforced by the
 20 State Department of Revenue. The Department shall have full
 21 power to administer and enforce this paragraph; to collect
 22 all taxes and penalties due hereunder; to dispose of taxes
 23 and penalties so collected in the manner hereinafter
 24 provided; and to determine all rights to credit memoranda
 25 arising on account of the erroneous payment of tax or penalty
 26 hereunder. In the administration of, and compliance with,
 27 this paragraph, the Department and persons who are subject to
 28 this paragraph shall have the same rights, remedies,
 29 privileges, immunities, powers and duties, and be subject to
 30 the same conditions, restrictions, limitations, penalties,
 31 exclusions, exemptions and definitions of terms, and employ
 32 the same modes of procedure, as are prescribed in Sections 1,
 33 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in respect
 34 to all provisions therein other than the State rate of tax

1 except that food for human consumption that is to be consumed
2 off the premises where it is sold (other than alcoholic
3 beverages, soft drinks, and food that has been prepared for
4 immediate consumption) and prescription and nonprescription
5 medicine, drugs, medical appliances and insulin, urine
6 testing materials, syringes, and needles used by diabetics,
7 for human use, shall not be subject to tax hereunder), 2c, 3
8 (except as to the disposition of taxes and penalties
9 collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k,
10 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12 and 13 of the
11 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
12 Penalty and Interest Act, as fully as if those provisions
13 were set forth herein.

14 Beginning in 2001, propane and home heating oil sold to
15 residential customers on or after December 1 and through
16 March 31 of each year are exempt from the tax imposed by this
17 subsection.

18 Beginning in 2002, for bills issued on or after January 1
19 and through April 30 each year, natural gas distributed,
20 supplied, furnished, or sold to residential customers is
21 exempt from the tax imposed by this subsection.

22 Persons subject to any tax imposed under the authority
23 granted in this paragraph may reimburse themselves for their
24 seller's tax liability hereunder by separately stating the
25 tax as an additional charge, which charge may be stated in
26 combination, in a single amount, with State taxes that
27 sellers are required to collect under the Use Tax Act and
28 under subsection (e) of Section 4.03 of the Regional
29 Transportation Authority Act, in accordance with such bracket
30 schedules as the Department may prescribe.

31 Whenever the Department determines that a refund should
32 be made under this paragraph to a claimant instead of issuing
33 a credit memorandum, the Department shall notify the State
34 Comptroller, who shall cause the warrant to be drawn for the

1 amount specified, and to the person named, in the
2 notification from the Department. The refund shall be paid
3 by the State Treasurer out of a county water commission tax
4 fund established under paragraph (g) of this Section.

5 For the purpose of determining whether a tax authorized
6 under this paragraph is applicable, a retail sale by a
7 producer of coal or other mineral mined in Illinois is a sale
8 at retail at the place where the coal or other mineral mined
9 in Illinois is extracted from the earth. This paragraph does
10 not apply to coal or other mineral when it is delivered or
11 shipped by the seller to the purchaser at a point outside
12 Illinois so that the sale is exempt under the Federal
13 Constitution as a sale in interstate or foreign commerce.

14 If a tax is imposed under this subsection (b) a tax shall
15 also be imposed under subsections (c) and (d) of this
16 Section.

17 Nothing in this paragraph shall be construed to authorize
18 a county water commission to impose a tax upon the privilege
19 of engaging in any business which under the Constitution of
20 the United States may not be made the subject of taxation by
21 this State.

22 (c) If a tax has been imposed under subsection (b), a
23 tax shall also be imposed upon all persons engaged, in the
24 territory of the commission, in the business of making sales
25 of service, who, as an incident to making the sales of
26 service, transfer tangible personal property within the
27 territory. The tax rate shall be 1/4% of the selling price of
28 tangible personal property so transferred within the
29 territory. The tax imposed under this paragraph and all
30 civil penalties that may be assessed as an incident thereof
31 shall be collected and enforced by the State Department of
32 Revenue. The Department shall have full power to administer
33 and enforce this paragraph; to collect all taxes and
34 penalties due hereunder; to dispose of taxes and penalties so

1 collected in the manner hereinafter provided; and to
2 determine all rights to credit memoranda arising on account
3 of the erroneous payment of tax or penalty hereunder. In the
4 administration of, and compliance with, this paragraph, the
5 Department and persons who are subject to this paragraph
6 shall have the same rights, remedies, privileges, immunities,
7 powers and duties, and be subject to the same conditions,
8 restrictions, limitations, penalties, exclusions, exemptions
9 and definitions of terms, and employ the same modes of
10 procedure, as are prescribed in Sections 1a-1, 2 (except that
11 the reference to State in the definition of supplier
12 maintaining a place of business in this State shall mean the
13 territory of the commission), 2a, 3 through 3-50 (in respect
14 to all provisions therein other than the State rate of tax
15 except that food for human consumption that is to be consumed
16 off the premises where it is sold (other than alcoholic
17 beverages, soft drinks, and food that has been prepared for
18 immediate consumption) and prescription and nonprescription
19 medicines, drugs, medical appliances and insulin, urine
20 testing materials, syringes, and needles used by diabetics,
21 for human use, shall not be subject to tax hereunder), 4
22 (except that the reference to the State shall be to the
23 territory of the commission), 5, 7, 8 (except that the
24 jurisdiction to which the tax shall be a debt to the extent
25 indicated in that Section 8 shall be the commission), 9
26 (except as to the disposition of taxes and penalties
27 collected and except that the returned merchandise credit for
28 this tax may not be taken against any State tax), 10, 11, 12
29 (except the reference therein to Section 2b of the Retailers'
30 Occupation Tax Act), 13 (except that any reference to the
31 State shall mean the territory of the commission), the first
32 paragraph of Section 15, 15.5, 16, 17, 18, 19 and 20 of the
33 Service Occupation Tax Act as fully as if those provisions
34 were set forth herein.

1 Beginning in 2001, propane and home heating oil sold to
2 residential customers on or after December 1 and through
3 March 31 of each year are exempt from the tax imposed by this
4 subsection.

5 Beginning in 2002, for bills issued on or after January 1
6 and through April 30 each year, natural gas distributed,
7 supplied, furnished, or sold to residential customers is
8 exempt from the tax imposed by this subsection.

9 Persons subject to any tax imposed under the authority
10 granted in this paragraph may reimburse themselves for their
11 serviceman's tax liability hereunder by separately stating
12 the tax as an additional charge, which charge may be stated
13 in combination, in a single amount, with State tax that
14 servicemen are authorized to collect under the Service Use
15 Tax Act, and any tax for which servicemen may be liable under
16 subsection (f) of Sec. 4.03 of the Regional Transportation
17 Authority Act, in accordance with such bracket schedules as
18 the Department may prescribe.

19 Whenever the Department determines that a refund should
20 be made under this paragraph to a claimant instead of issuing
21 a credit memorandum, the Department shall notify the State
22 Comptroller, who shall cause the warrant to be drawn for the
23 amount specified, and to the person named, in the
24 notification from the Department. The refund shall be paid
25 by the State Treasurer out of a county water commission tax
26 fund established under paragraph (g) of this Section.

27 Nothing in this paragraph shall be construed to authorize
28 a county water commission to impose a tax upon the privilege
29 of engaging in any business which under the Constitution of
30 the United States may not be made the subject of taxation by
31 the State.

32 (d) If a tax has been imposed under subsection (b), a
33 tax shall also imposed upon the privilege of using, in the
34 territory of the commission, any item of tangible personal

1 property that is purchased outside the territory at retail
2 from a retailer, and that is titled or registered with an
3 agency of this State's government, at a rate of 1/4% of the
4 selling price of the tangible personal property within the
5 territory, as "selling price" is defined in the Use Tax Act.
6 The tax shall be collected from persons whose Illinois
7 address for titling or registration purposes is given as
8 being in the territory. The tax shall be collected by the
9 Department of Revenue for a county water commission. The tax
10 must be paid to the State, or an exemption determination must
11 be obtained from the Department of Revenue, before the title
12 or certificate of registration for the property may be
13 issued. The tax or proof of exemption may be transmitted to
14 the Department by way of the State agency with which, or the
15 State officer with whom, the tangible personal property must
16 be titled or registered if the Department and the State
17 agency or State officer determine that this procedure will
18 expedite the processing of applications for title or
19 registration.

20 The Department shall have full power to administer and
21 enforce this paragraph; to collect all taxes, penalties and
22 interest due hereunder; to dispose of taxes, penalties and
23 interest so collected in the manner hereinafter provided; and
24 to determine all rights to credit memoranda or refunds
25 arising on account of the erroneous payment of tax, penalty
26 or interest hereunder. In the administration of, and
27 compliance with this paragraph, the Department and persons
28 who are subject to this paragraph shall have the same rights,
29 remedies, privileges, immunities, powers and duties, and be
30 subject to the same conditions, restrictions, limitations,
31 penalties, exclusions, exemptions and definitions of terms
32 and employ the same modes of procedure, as are prescribed in
33 Sections 2 (except the definition of "retailer maintaining a
34 place of business in this State"), 3 through 3-80 (except

1 provisions pertaining to the State rate of tax, and except
2 provisions concerning collection or refunding of the tax by
3 retailers, and except that food for human consumption that is
4 to be consumed off the premises where it is sold (other than
5 alcoholic beverages, soft drinks, and food that has been
6 prepared for immediate consumption) and prescription and
7 nonprescription medicines, drugs, medical appliances and
8 insulin, urine testing materials, syringes, and needles used
9 by diabetics, for human use, shall not be subject to tax
10 hereunder), 4, 11, 12, 12a, 14, 15, 19 (except the portions
11 pertaining to claims by retailers and except the last
12 paragraph concerning refunds), 20, 21 and 22 of the Use Tax
13 Act and Section 3-7 of the Uniform Penalty and Interest Act
14 that are not inconsistent with this paragraph, as fully as if
15 those provisions were set forth herein.

16 Beginning in 2001, propane and home heating oil sold to
17 residential customers on or after December 1 and through
18 March 31 of each year are exempt from the tax imposed by this
19 subsection.

20 Beginning in 2002, for bills issued on or after January 1
21 and through April 30 each year, natural gas distributed,
22 supplied, furnished, or sold to residential customers is
23 exempt from the tax imposed by this subsection.

24 Whenever the Department determines that a refund should
25 be made under this paragraph to a claimant instead of issuing
26 a credit memorandum, the Department shall notify the State
27 Comptroller, who shall cause the order to be drawn for the
28 amount specified, and to the person named, in the
29 notification from the Department. The refund shall be paid
30 by the State Treasurer out of a county water commission tax
31 fund established under paragraph (g) of this Section.

32 (e) A certificate of registration issued by the State
33 Department of Revenue to a retailer under the Retailers'
34 Occupation Tax Act or under the Service Occupation Tax Act

1 shall permit the registrant to engage in a business that is
2 taxed under the tax imposed under paragraphs (b), (c) or (d)
3 of this Section and no additional registration shall be
4 required under the tax. A certificate issued under the Use
5 Tax Act or the Service Use Tax Act shall be applicable with
6 regard to any tax imposed under paragraph (c) of this
7 Section.

8 (f) Any ordinance imposing or discontinuing any tax
9 under this Section shall be adopted and a certified copy
10 thereof filed with the Department on or before June 1,
11 whereupon the Department of Revenue shall proceed to
12 administer and enforce this Section on behalf of the county
13 water commission as of September 1 next following the
14 adoption and filing. Beginning January 1, 1992, an ordinance
15 or resolution imposing or discontinuing the tax hereunder
16 shall be adopted and a certified copy thereof filed with the
17 Department on or before the first day of July, whereupon the
18 Department shall proceed to administer and enforce this
19 Section as of the first day of October next following such
20 adoption and filing. Beginning January 1, 1993, an ordinance
21 or resolution imposing or discontinuing the tax hereunder
22 shall be adopted and a certified copy thereof filed with the
23 Department on or before the first day of October, whereupon
24 the Department shall proceed to administer and enforce this
25 Section as of the first day of January next following such
26 adoption and filing.

27 (g) The State Department of Revenue shall, upon
28 collecting any taxes as provided in this Section, pay the
29 taxes over to the State Treasurer as trustee for the
30 commission. The taxes shall be held in a trust fund outside
31 the State Treasury. On or before the 25th day of each
32 calendar month, the State Department of Revenue shall prepare
33 and certify to the Comptroller of the State of Illinois the
34 amount to be paid to the commission, which shall be the then

1 balance in the fund, less any amount determined by the
2 Department to be necessary for the payment of refunds. Within
3 10 days after receipt by the Comptroller of the certification
4 of the amount to be paid to the commission, the Comptroller
5 shall cause an order to be drawn for the payment for the
6 amount in accordance with the direction in the certification.
7 (Source: P.A. 91-51, eff. 6-30-99.)

8 Section 90. The State Mandates Act is amended by adding
9 Section 8.25 as follows:

10 (30 ILCS 805/8.25 new)

11 Sec. 8.25. Exempt mandate. Notwithstanding Sections 6
12 and 8 of this Act, no reimbursement by the State is required
13 for the implementation of any mandate created by this
14 amendatory Act of the 92nd General Assembly.

15 Section 99. Effective date. This Act takes effect upon
16 becoming law.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

INDEX

Statutes amended in order of appearance

- 20 ILCS 805/805-45 new
- 30 ILCS 500/45-70 new
- 30 ILCS 115/1 from Ch. 85, par. 611
- 35 ILCS 5/213 new
- 35 ILCS 5/901 from Ch. 120, par. 9-901
- 35 ILCS 105/3-5 from Ch. 120, par. 439.3-5
- 35 ILCS 110/3-5 from Ch. 120, par. 439.33-5
- 35 ILCS 115/3-5 from Ch. 120, par. 439.103-5
- 35 ILCS 120/2-5 from Ch. 120, par. 441-5
- 35 ILCS 615/2a.4 new
- 55 ILCS 5/5-1006 from Ch. 34, par. 5-1006
- 55 ILCS 5/5-1006.5
- 55 ILCS 5/5-1007 from Ch. 34, par. 5-1007
- 65 ILCS 5/8-11-1 from Ch. 24, par. 8-11-1
- 65 ILCS 5/8-11-1.1 from Ch. 24, par. 8-11-1.1
- 65 ILCS 5/8-11-1.6
- 65 ILCS 5/8-11-1.7
- 65 ILCS 5/8-11-2 from Ch. 24, par. 8-11-2
- 65 ILCS 5/8-11-5 from Ch. 24, par. 8-11-5
- 65 ILCS 5/8-11-6 from Ch. 24, par. 8-11-6
- 70 ILCS 200/245-12
- 70 ILCS 3610/5.01 from Ch. 111 2/3, par. 355.01
- 70 ILCS 3615/4.03 from Ch. 111 2/3, par. 704.03
- 70 ILCS 3720/4 from Ch. 111 2/3, par. 254
- 30 ILCS 805/8.25 new